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STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF GAMING ENFORCEMENT

D-1



REPORT TO THE CASINO CONTROL COMMISSION  
ON THE APPLICATIONS OF TRUMP PLAZA ASSOCIATES,  
TRUMP MARINA ASSOCIATES, L.P., AND TRUMP TAJ  
MAHAL ASSOCIATES FOR RENEWAL OF THEIR  
CASINO AND CASINO HOTEL ALCOHOLIC BEVERAGE  
LICENSES (AMENDED PRNS 3390201, 3390202 AND  
3390203, RESPECTIVELY) AND FOR WAIVER OF  
CERTAIN SECURITY HOLDERS  
(PRNS 1190301 AND 1190302)  
AND FOR RELATED RELIEF

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## I. INTRODUCTION

On June 23, 1999, the Casino Control Commission ("Commission") issued casino license and casino hotel alcoholic beverage ("CHAB") license renewals to Trump Taj Mahal Associates ("TTMA" or "Taj Mahal"), Trump's Castle Associates, recently renamed Trump Marina Associates, L.P. ("TMA" or "Marina") and Trump Plaza Associates ("TPA" or "Plaza" and together with TTMA and TMA, "Applicants"), effective from issuance through March 31, May 31, and June 30, 2003, respectively. Resolution No. 99-13-24-A, Resolution No. 99-13-24-B and Resolution No. 99-13-24-D, respectively. TTMA operates a casino hotel on the Boardwalk in Atlantic City that does business as Trump Taj Mahal Casino Resort. TMA operates a casino hotel in the Marina District of Atlantic City, which does business as Trump Marina Hotel Casino. TPA operates a casino hotel that is also located on the Boardwalk in Atlantic City and does business as Trump Plaza Hotel and Casino, and which between December 1998 and October 1999 included a physically separate casino facility, called Trump World's Fair, which was located on the Boardwalk and connected to TPA's other facility by an enclosed walkway at the front of Boardwalk Hall.

On June 23, 1999, the Commission also renewed the casino and CHAB licenses of Trump Casino Services, L.L.C. ("TCS"). Resolution No. 99-13-24-C. TCS provided management, administrative and other support services to the Applicants from 1996 until December 2000, when the Commission permitted the merger of TCS into TTMA and accepted the surrender of TCS's licenses. Resolution No. 00-23-14.

In accordance with the Casino Control Act ("Act"), *N.J.S.A. 5:12-1 et seq.*, TPA, TMA and TTMA have by amended petitions applied to the Commission for renewal of their casino and CHAB licenses for four-year terms (PRN 3390201, PRN 3390202 and PRN 3390203, respectively). *N.J.S.A. 5:12-88*. In conjunction with their license renewal applications, the Applicants filed petitions seeking rulings concerning the qualification or waiver of certain holders of the debt and equity securities issued by them or their holding and intermediary companies and their financial sources. (PRN 1190301 and PRN 1190302).

On December 19, 2002, the Applicants filed a joint petition seeking to consolidate their renewal hearings, which the Commission granted on March 12, 2003. Resolution No. 03-6-10. The Commission extended the licenses of TTMA and TMA until the earlier of the Commission's final disposition of the consolidated proceedings or June 30, 2003, and tentatively scheduled the consolidated hearing for the public meeting of June 25, 2003. *Id.*

The Division of Gaming Enforcement ("Division") has maintained an ongoing investigation of each of these Applicants and the areas related to their continued qualification. *N.J.S.A. 5:12-76*; *see N.J.S.A. 5:12-80 et seq.* This report sets forth the results of the Division's investigation and summarizes significant developments during the past license period. The Division has reported separately on the requests for renewal of their CHAB licenses.

## II. GENERAL INFORMATION

### A. ENTITIES

The relationships among the Applicants and their various holding and intermediary companies are depicted in a chart of the Organizational Structure of Trump Hotels & Casino Resorts, Inc. ("THCR"). Exhibit 1. Through Trump Hotels & Casino Resorts Holdings, L.P. ("Trump Holdings") THCR beneficially owns approximately 63% of each of the Applicants, and Donald J. Trump ("DJT") beneficially owns approximately 37%.

#### 1. Applicants for Renewal of a Casino License

##### a. Trump Taj Mahal Associates

On March 29, 1990, effective on April 26, 1990, TTMA was issued plenary casino and CHAB licenses. TTMA's licenses were renewed annually until March 15, 1993, when the Commission issued TTMA 23-month licenses, which were extended to permit consolidated hearings with the other two Trump casino licensees. Twice thereafter, on June 22, 1995 and June 23, 1999, the Commission held consolidated hearings concerning the renewal applications of TTMA, TMA and TPA and on each occasion has renewed all licenses for four-year terms.

TTMA was initially formed as a New Jersey limited partnership. On December 12, 1990, it converted to a New Jersey general partnership in anticipation of a restructuring. A Plan of Reorganization was confirmed by the United States Bankruptcy Court for the



District of New Jersey ("NJ Bankruptcy Court") on August 28, 1991, with an effective date of October 4, 1991. DJT, who previously beneficially owned all of TTMA, then held a 50% beneficial interest in TTMA, and the holders of previously issued 14% First Mortgage Bonds collectively held the remaining 50%. This was the corporate structure at the time of TTMA's renewal in 1995.

On April 17, 1996, various transactions occurred ("Taj Merger") that resulted in TTMA being acquired as a wholly beneficially owned subsidiary of Trump Atlantic City Associates ("TACA"). See Division's Report on the Petition of Trump Plaza Associates and Trump Taj Mahal Associates for Certain Declaratory Rulings With Respect to a Merger Transaction, the Issuance of Certain Securities and Other Relief (PRN 068608), dated April 3, 1996. Specifically, TACA acquired 99% of TTMA, and Trump Atlantic City Corporation ("TACC"), which is wholly owned by TACA, acquired the remaining 1%.

TTMA operates a casino hotel ("Taj Mahal") on the Boardwalk, which opened in 1990 and currently has a 42-story hotel tower with contiguous low-rise structures on approximately 30 acres of land. It has 1,250 guest rooms, 242 of which are suites, and 156,984 square feet of gaming space, which includes a poker, keno and race simulcasting room that is approximately 12,000 square feet. Other facilities at the Taj Mahal include 19 dining and 12 beverage locations, 140,000 square feet of meeting ballroom space, 63,000 square feet of exhibition and entertainment space in the Mark G. Etes Arena and the "Xanadu Theatre" a concert hall, boxing arena or exhibition hall with seating for 1,200 and parking for approximately 7,000 cars and a 14-bay bus terminal.

b. Trump Marina Associates, L.P.

On June 14, 1985, effective June 19, 1986, TMA (formerly Trump Castle Associates, L.P. or "TCA") was issued plenary casino and CHAB licenses. TMA's licenses were renewed annually thereafter until May 10, 1989, when it was issued two-year renewal licenses, effective May 16, 1989. In 1991 and 1993, TMA was issued two-year renewal licenses. On March 24, 1995, the Commission extended the term of TMA's license to June 30, 1995. Resolution 95-6-17. Twice thereafter, in 1995 and 1999, the Commission held consolidated hearings concerning the renewal applications of TTMA, TMA and TPA and renewed all licenses for four-year terms.

In 1985, DJT formed TCA as a limited partnership, which he wholly beneficially owned. Simultaneously, Trump's Castle Funding, Inc. ("TCFI") was incorporated to serve as a financing vehicle for TCA, which thereafter used the proceeds of TCFI debt offerings primarily to acquire a casino facility located in the Marina District. At the time of its formation, DJT also wholly beneficially owned TCFI. In February 1992, in anticipation of a restructuring, TCA was converted from a limited partnership to a general partnership. Pursuant to a Plan of Reorganization, confirmed by the NJ Bankruptcy Court on May 5, 1992, and completed on May 29, 1992, DJT became the beneficial owner of 50% of TCA, and the holders of debt securities previously issued by TCFI became the beneficial owners of the remaining 50%. In December 1993, TCA again recapitalized, resulting in DJT regaining sole beneficial ownership by personally acquiring a 61.5% interest, Trump Casinos II, Inc. ("TCI-II" or Trump Casinos II"), which is wholly owned by DJT, acquiring a

37.5% interest and Trump's Castle Hotel & Casino, Inc. ("TCHC"), also wholly owned by DJT, acquiring a 1% interest. At the time of the renewals in June 1995, this was the corporate structure.

On October 7, 1996, Trump Hotels & Casino Resorts Holdings, L.P. ("Trump Holdings"), became the sole beneficial owner of TCA ("Castle Acquisition"). See Division's Report on the Petition of Trump's Castle Associates, Trump Taj Mahal Associates and Trump Plaza Associates for Certain Approvals and Other Relief With Respect to the Acquisition of Trump's Castle Associates by Trump Hotel & Casino Resorts Holdings, L.P. (PRN 239604), dated September 3, 1996. This was accomplished through a series of transactions that resulted in Trump Holdings acquiring a 99% ownership interest in TCA and becoming the sole owner of TCHC, which in turn holds a 1% interest in TCA. In March 2003, in conjunction with the consummation of a note offering ("TCH Note Offering"), TCA's name was changed to Trump Marina Associates, L.P. ("TMA"), and its general partner, TCHC, underwent a name change to Trump Marina, Inc. ("TMI"). TMI has 100 shares of no par value common stock outstanding.

At the time of the last renewal, TMA had one subsidiary, TCFI, which was incorporated in New Jersey on May 23, 1985. It originally had the name TCH Financial Corporation, but one day after its formation, the name was changed to its present form. It is authorized to issue 2,500 shares of common stock; all of the 200 outstanding shares are currently owned by TMA. TCFI was deemed a financial source and entity qualifier as the result of various note offerings which it had issued for the benefit of TMA. The

proceeds, in part, of the aforementioned TCH Note Offering were used to redeem all outstanding TCFI Note Offerings. Accordingly, TCFI will no longer be active and will no longer require qualification as a financial source or entity qualifier of TMA.

TMA operates a casino hotel ("Marina"), which opened in 1985, on 14.7 acres in the Marina District, approximately two miles from the Boardwalk. During the second quarter of 1997, the property was rethemed with a nautical emphasis and changed its name from Trump's Castle Casino Resort to Trump Marina Hotel Casino. It currently has a 27-story hotel tower with 728 rooms, including 153 suites, 97 of which are luxury suites, and contains approximately 81,200 square feet of gaming space. TMA also operates a 645-slip marina that is adjacent to the casino hotel pursuant to a lease agreement entered in September 1990 with the New Jersey Division of Parks and Forestry, which has an initial term of 25 years. Other resort amenities include 40,000 square feet of convention meeting and ballroom space, a 540-seat theatre, a nightclub, two player clubs, several restaurants and a nine-story parking garage for 3,000 cars, 11 bus bays and a helipad.

c. Trump Plaza Associates

On May 8, 1984, effective May 26, 1984, TPA received a plenary casino license. That license was renewed annually thereafter until May 10, 1989, when it was issued a two-year casino license. Twice thereafter, in 1991 and 1993, TPA was issued two-year renewal licenses. On April 19, 1993, the Commission issued TPA a 25-month license that would expire on June 30, 1995. As previously noted, in 1995 and 1999, the Commission

held consolidated hearings concerning the renewal applications of TTMA, TMA and TPA and renewed all licenses for four-year terms.

TPA was created as a New Jersey general partnership on June 30, 1982. Prior to May 1992, TPA was 99.99% owned by DJT and .01% owned by Trump Boardwalk Realty Corporation, a New Jersey corporation wholly owned by DJT. Pursuant to a Plan of Reorganization, confirmed by the NJ Bankruptcy Court on April 30, 1992, and consummated on May 29, 1992, TPA was reorganized so that there were three general partners: Trump Plaza Funding, Inc. ("TPFI"), owned by the holders of the debt securities previously issued by TPFI; (2) TP/GP Corp. ("TPGP"), owned equally by TPFI and DJT, and (3) DJT.

Shortly before the renewal of TPA's casino license in June 1995, there was an initial public offering of 10,000,000 shares of THCR common stock ("THCR Stock") as part of a series of transactions ("95 Offerings"), the result of which was the formation of a public company, THCR, that beneficially owned approximately 63% of Trump Holdings, which in turn acquired sole beneficial ownership of TACA. See Division's Report on the Petition of Trump Plaza Associates With Respect to the Issuance of Certain Securities, the Creation of Certain Entities and for Other Relief (PRN 116501), dated June 2, 1995, and the Division's Report on the Application of TPA for Renewal of its Casino License (PRN 096501), dated June 12, 1995. TACA became a 99% partner in TPA and sole owner of TACC, which became a 1% partner in TPA.

TPA originally operated a casino hotel ("Plaza") which opened on the Boardwalk in 1984 and consisted of a main tower located on the parcel of land bordered by the Boardwalk, Columbia Place, Pacific Avenue and Mississippi Avenue. In 1996, an expansion tower was completed across Columbia Place at a location which had previously been a Holiday Inn. Additionally, a second casino license was obtained to operate Trump World's Fair, a 500-room casino hotel located on the 3-acre site of the former Trump Regency, a non-casino hotel. On December 18, 1996, however, the Commission approved TPA's surrender of this second license and permitted TPA to operate Trump World's Fair under TPA's original 1984 casino license. Resolution No. 96-24-24. Trump World's Fair was connected to the main tower at the Plaza via an enclosed walkway in the front of Atlantic City Boardwalk Hall that overlooked the Boardwalk. Trump World's Fair closed in October 1999, and has since been demolished.

d. Trump Casino Services, L.L.C.

Because of the interrelated services it was to provide to the New Jersey operating casinos, Trump Casino Services, L.L.C. ("TCS") was issued an initial one-year casino license on July 24, 1996, effective that date, and a CHAB license on January 1, 1997, effective that date, through July 24, 1997. Resolution No. 96-14-4-B. The Commission twice thereafter renewed TCS's casino and CHAB licenses for one-year periods. Resolution No. 97-15-10; Resolution No. 98-15-18, and for a four-year period in June 1999. Resolution No. 99-13-24-C.

TCS was a limited liability company formed in the State of New Jersey on June 17, 1996. According to its Operative Agreement executed on July 8, 1996, TCS was to provide management, administrative and other similar and related services with respect to the business and operations of certain affiliated companies.

Beginning on July 8, 1996, TCS entered into services agreements with various affiliated companies to provide them with such support services. Initially, those services were to be provided to TPA and TTMA, both of which were wholly beneficially owned by TACA; following the Castle Acquisition, TCS amended its services agreement as of October 8, 1996, to include TMA. On January 1, 1998, the services agreement was amended and restated for a second time to include Trump Indiana, Inc. ("Trump Indiana").

TCS had a single subsidiary, Trump Communications, L.L.C. ("Trump Communications"), a limited liability corporation formed in the State of New Jersey on January 31, 1997, for the purpose of consolidating advertising functions of and providing certain services to the Applicants. TCS is a 99% member and TACC a 1% member. When formed, Trump Communications intended to provide advertising and certain other services to TMA and TTMA and was, therefore, identified as a discretionary qualifier of TCS in conjunction with TCS's subsequent application for renewal of its casino license in July 1997. *N.J.S.A. 5:12-85d*. When the Commission qualified Trump Communications, it did so without prejudice to a subsequent determination that it be required to hold a license as a casino service industry or otherwise. Resolution No. 97-15-10 at Findings ¶2. Trump Communications has never actually provided services to any of the Applicants and

is currently inactive. Accordingly, it should not require qualification as an entity qualifier. In December 2000, the Commission permitted the merger of TCS into TTMA and the surrender of TCS's casino license. Its rights and responsibilities under the aforementioned services agreement were assumed by Trump Administration, a division of TTMA.

## 2. Holding and Intermediary Companies

There are currently 17 entities that are holding and intermediary companies of one or more of the Applicants. These 17 entities are identified on THCR's "Organizational Structure" chart. Exhibit 1. Additionally, those entities that must be qualified in conjunction with each Applicant's request for renewal of its casino license are identified on the "Entity Qualifiers" chart. Exhibit 2. As these Exhibits show, Trump Holdings now wholly beneficially owns the Applicants, and DJT and THCR share beneficial ownership of Trump Holdings, with DJT owning approximately 37% and THCR 63%.

Trump Holdings is a limited partnership formed in the State of Delaware on March 28, 1995. By the time of the license renewals of the Applicants in 1995, it wholly owned Trump Hotels & Casino Resorts Funding, Inc. ("Trump Funding"), Trump Atlantic City Holding, Inc. ("Trump AC Holding"), and Trump Indiana, had a 99% interest in TACA, and, based upon TACA's organizational structure at that time, wholly beneficially owned one of the Applicants, TPA. Prior to the 1999 renewals, however, Trump Holdings had acquired sole beneficial interest in the other two Applicants: TTMA in April 1996 as a result of the Taj Merger and TMA in October 1996 as a result of the Castle Acquisition.



Presently, Trump Holdings owns TTMA and TPA through TACA, and owns TMA through a newly-created TACA-like, intermediate subsidiary, Trump Casino Holdings, L.L.C. ("TCH"). TCH in turn wholly-owns its newly-created financing vehicle, Trump Casino Fundings, Inc. ("TCF"). TCH also owns, directly or indirectly, TMA, TMI, Indiana Realty, L.L.C., Trump Indiana, THCR Management Holdings, L.L.C. and THCR Management Services, L.L.C. ("Trump 29 Services"), which operates the Trump 29 Casino in Coachella, California (approximately 25 miles east of Palm Springs) pursuant to a management agreement with the sole owners of that casino, the Twenty-Nine Palms Band of Luiseno Mission Indians of California. Additionally, since the 1995 renewals, Trump Holdings has become sole owner of THCR Enterprises, Inc., and a 99% owner of THCR Enterprises, L.L.C. ("THCR Enterprises"), both of which were deemed to be discretionary qualifiers of TCS in conjunction with TCS's renewed casino license in 1997, based upon THCR Enterprises' purchase of THCR stock, which will be described in more detail below. Additionally, although none is currently deemed a qualifier in conjunction with the pending applications, Trump Holdings also wholly owns THCR Ventures, Inc. ("THCR Ventures"), which has a 1% interest in various other affiliated entities ("Venture Affiliates"), has a 99% interest in each of the Venture Affiliates, consisting presently of Trump Hotels & Casino Resorts Development Company, L.L.C., and Trump Internet Casino, L.L.C.

Trump Funding, a funding vehicle for THCR, was incorporated in the State of Delaware on March 28, 1995, with authorization to issue 1,000 shares of common stock. All of the issued and outstanding 100 shares are owned by Trump Holdings. Trump Funding along with Trump Holdings was an issuer of certain Senior Mortgage Notes, which

were recently redeemed with a portion of the proceeds of the TCH Note Offering. Accordingly, Trump Funding will no longer require qualification as a financial source or entity qualifier.

Trump AC Holding was incorporated in the State of Delaware on February 10, 1993, as Trump Plaza Holding, Inc., with authorization to issue 200 shares of common stock. Its certificate of incorporation was amended on April 17, 1996, to reflect the name change. All of Trump AC Holding's issued and outstanding 100 shares of stock are owned by Trump Holdings.

TCH is a Delaware limited liability company formed on April 24, 2002 and Trump Holdings is its sole member. TCF, as noted above, is a wholly-owned subsidiary of TCH and was incorporated in Delaware on April 24, 2002. Together TCH and TCF consummated the recent TCH Note Offering. For a more detailed description of the TCH Note Offering, see Section II., D., *infra*. See also Section IV., H., 1., *infra*, and Table 9, *infra*, for the uses of proceeds of the TCH Note Offering.

Trump Indiana, incorporated on December 10, 1992, owns and operates the Indiana Riverboat Casino at Buffington Harbor on Lake Michigan, near Gary, Indiana, which opened to the public on June 11, 1996. Trump Holdings owns Trump Indiana through TCH. While it does not require qualification with regard to the Applicants, Trump Indiana does share responsibility with Marina for servicing the TCH Note obligations. Trump Indiana is the owner/operator of a 280-foot riverboat casino, consisting of 43,000 square

feet of gaming space (approximately 1,784 slot machines and 46 table games), and shares a docking facility and land-based pavilion with a joint venture partner, Majestic Star Casino, L.L.C. ("Majestic"). Through a separate joint venture with Majestic, Trump Indiana owns adjacent surface parking for 2,300 automobiles and a recently completed parking garage that can accommodate another 2,000 cars. Trump Indiana also owns and operates an adjacent 300 room hotel.

TACA is a New Jersey general partnership formed on February 17, 1993, as Trump Plaza Holding Associates. TACA is comprised of the following two partners: Trump Holdings, with a 99% general partnership interest and Trump A.C. Holdings, with a 1% managerial general partnership interest. Its amended and restated partnership agreement dated April 17, 1996, changed its name to its current form. At the time of the 1995 renewal, which occurred shortly after the 95 Offerings, TACA was the sole owner of TACC and Trump Atlantic City Funding, Inc. ("TAC Funding"), and 99% owner of TPA. Subsequently, TACA acquired direct 99% ownership of TTMA, following the Taj Merger in April 1996, and sole ownership of Trump Atlantic City Funding II, Inc. ("TAC Funding II") and Trump Atlantic City Funding III, Inc. ("TAC Funding III").

TACC was incorporated in the State of Delaware on October 16, 1990, as Trump Taj Mahal Corporation, with authorization to issue 675,000 shares of common stock. Its certificate of incorporation was amended on April 17, 1996, to reflect its current name. All of the issued and outstanding 40 shares of stock are held by TACA. As described above, TACC has a 1% ownership interest in TPA and TTMA.

TAC Funding, TAC Funding II and TAC Funding III were created solely as vehicles to provide TACA with funds. All three were incorporated in the State of Delaware, TAC Funding on January 30, 1996, and TAC Funding II and TAC Funding III on or about November 18, 1997. Each is authorized to issue 1,000 shares of common stock and each currently has 100 shares issued and outstanding, all of which are owned by TACA. On March 4, 1996, TAC Funding's certificate of incorporation, which reflected its original name, THCR Atlantic City Funding, Inc., was amended to reflect its current name.

As part of the Castle Acquisition in October 1996, Trump Holdings acquired sole ownership of TCHC (now "TMI"), which had been incorporated in the State of New Jersey on April 17, 1985, as Atlantic City Palace, Inc., with authorization to issue 2,500,000 shares of common stock. Initially, TMI had issued 1,000,000 shares to DJT, but in October 1996, in conjunction with the Castle Acquisition, Trump Holdings acquired all of the then issued and outstanding 100 shares.

THCR Enterprises, a single purpose entity formed as a limited liability company in the State of New Jersey on January 3, 1997, is comprised of Trump Holdings, which has a 99% interest, and THCR Enterprises, Inc., which has a 1% interest. It was created specifically to purchase THCR stock on the open market, which because of certain restrictions in its indentures, THCR was unable to do. First on January 6 and again on March 10, 1997, the THCR Board of Directors authorized the purchase of up to an additional 1,250,000 shares of THCR Stock, for a combined potential purchase of 2,500,000 shares. Ultimately, THCR Enterprises purchased and now owns 2,127,500

shares of THCR Stock.

THCR Enterprises, Inc. is also a single purpose entity formed on January 3, 1997, but it was incorporated in the State of Delaware. All of the authorized 1,000 shares of common stock were issued to Trump Holdings.

Following the 95 Offerings, which occurred just prior to the 1995 renewal of the Applicants' licenses, Trump Holdings had one general partner, THCR, and three limited partners: (1) THCR/LP Corporation ("THCR/LP"); (2) Trump Casinos, Inc. ("Trump Casinos" or "TCI"); and, (3) DJT. Its Amendment to the Second Amended and Restated Partnership Agreement, dated as of October 8, 1996, which occurred in conjunction with the Castle Acquisition, reflects the same general partner, THCR, with approximately 60% interest, and four limited partners: (1) THCR/LP, with approximately 3%; (2) Trump Casinos, with approximately 4%; (3) Trump Casinos II, with approximately 6%; and, (4) DJT, with approximately 27%.

THCR/LP was incorporated in the State of New Jersey on March 1, 1991, as TM/GP Corporation, with authorization to issue 200 shares of common stock, all of which are issued to and currently held by THCR Holding Corp. ("THCR Holding"). Its Amended and Restated Certificate of Incorporation, dated April 17, 1996, changed its name to its present form.

THCR Holding was incorporated in the State of Delaware on December 18, 1990,

as Taj Mahal Holding Corp., with authorization to issue 1,000 shares of common stock. Its Amended and Restated Certificate of Incorporation, dated April 18, 1996, changed its name to its present form. All of the 100 issued and outstanding shares are currently held by THCR.

Trump Casinos was incorporated in the State of New Jersey on June 3, 1988, as Trump Taj Mahal, Inc., with authorization to issue 2,500 shares of common stock. On April 17, 1996, its name was changed to its present form. All of the 162 issued and outstanding shares are owned by DJT.

Trump Casinos II was incorporated in the State of Delaware on November 20, 1991, as TC/GP, Inc., with authorization to issue 20,000,000 shares of common stock. On October 7, 1996, it changed its name to its present form. All of the 100 issued and outstanding shares are owned by DJT.

THCR was incorporated in the State of Delaware on March 28, 1995, with authorization to issue 1,000 shares of common stock, 100 of which were issued to DJT. Its Amended and Restated Certificate of Incorporation, dated October 7, 1996, altered this structure by canceling all previously issued shares and authorizing the issuance of 76,001,000 shares of stock as follows: (1) 75,000,000 shares of THCR common with par value \$.01; (2) 1,000,000 shares of Series A preferred stock with par value \$1.00 ("THCR Preferred Stock"); and, (3) 1,000 shares of Class B common stock with par value \$.01 ("THCR Class B stock"). All of the 1,000 shares of THCR Class B stock were issued and

are outstanding and beneficially owned by DJT. As of April 17, 2003, 22,010,027 shares of THCR common are issued and outstanding. The THCR Preferred Stock has a liquidation preference of \$10,000 per share, pays no dividends and has no voting rights. Only 1,500 shares of THCR Preferred Stock have been issued. They were issued to DJT as part of the recent TCH Note Offering. The THCR Preferred Stock is exchangeable to THCR common only with the approval of the THCR common shareholders, which approval is being sought at the next shareholders meeting scheduled for June 12, 2003. If approved, the 1,500 shares of THCR Preferred Stock held by DJT will be exchangeable into 7,894,737 THCR common shares (subject to anti-dilution adjustments).

In accordance with Delaware General Corporation Law, shares of common stock of a Delaware corporation that are purchased by a subsidiary of that corporation and held by that subsidiary are not to be counted in any shareholder vote or in determining a quorum with respect to any shareholder action. Generally Accepted Accounting Principles provide that in circumstances where shares of common stock are not counted in any shareholder vote or for a determination of a quorum for shareholder action, those shares are not included in the calculation of total shares outstanding by that Delaware corporation. Accordingly, the 2,127,500 shares of THCR common issued by THCR, a Delaware corporation, and as of April 17, 2003, held by THCR Enterprises, a wholly beneficially owned subsidiary of THCR, are not included in the calculation of outstanding shares.

THCR common stock is publicly traded, but shares of THCR Class B stock are not. All shares of THCR Class B stock were originally issued to DJT personally, but since then

have been redistributed, although all issued shares are currently personally and beneficially owned by DJT. Following the Taj Merger in April 1996, 200 of DJT's shares of THCR Class B stock were acquired by Trump Casinos. Following the Castle Acquisition in October 1996, DJT became the direct owner of 850 shares, Trump Casinos became the owner of 50 shares, and Trump Casinos II became the owner of 100 shares. DJT wholly owns both Trump Casinos and Trump Casinos II.

THCR Class B stock has voting power equivalent to the voting power of the number of shares of THCR common shares into which its holder's limited partnership interest in Trump Holdings is convertible. DJT's beneficial ownership is currently convertible into 13,918,723 shares of THCR common.

The Entity Qualifiers chart identifies which of the 17 entities is required to qualify in conjunction with each Applicant's pending application. See Exhibit 2. The Division's investigation and review of these entities has not developed any negative information which would preclude their continued qualification. In addition, several of these entities are also deemed to be qualified financial sources, as will be discussed below.

## B. INDIVIDUALS

In connection with the Applicants' pending applications for renewal of their casino licenses, there are a number of individuals who must qualify to the standards applicable to casino key employees. See *N.J.S.A. 5:12-85c* and *N.J.S.A. 5:12-85d*. These natural



person qualifiers are officers and directors of the Applicants and various of their holding and intermediary companies. These qualifying individuals and their positions with each qualifying entity are set forth on the "Natural Person Qualifiers" chart. Exhibit 3. The Division, the Commission and the Applicants have reviewed the information contained therein and are in agreement therewith.

There are 63 individuals required to qualify in connection with the three pending applications. Exhibit 3. The Commission has previously approved the qualifications of all of these individuals except Hyun Cho (7903-11) and Sherry Wallen (7881-11), upon whose suitability the Division favorably reported on May 29, 2003, and May 23, 2003, respectively. As of the date of this report, the Division has not developed any negative information that would prevent the continued qualification of any of the other qualifiers listed in Exhibit 3.

### C. FINANCIAL SOURCES

Various entities and individuals have been identified as financial sources of the Applicants, each of which must qualify in connection with their license renewal applications. *N.J.S.A. 5:12-84b*. These financial sources are identified on the "Financial Sources" chart. Exhibit 4. With the exception of Avaya, Central Leasing of NJ, L.L.C., First Insurance Funding Corp., Ford Motor Credit Corp. and Premium Assignment Corp., each of these financial sources either has been identified and qualified in the past as a financial source for one or more Applicants or, as in the case of Pitney Bowes Credit Corp. (5619-70), currently holds a valid casino service industry license. As of the date of this report, the

Division has not developed information that would warrant a finding that these previously qualified entities should not continue to be qualified as financial sources.

Avaya, Inc. is a Delaware corporation, which is publicly-traded on the New York Stock Exchange (symbol "AV"). As such, in September 2000, it was spun off from Lucent Technologies, Inc., which, in turn, was spun off from ATT. ATT was previously approved as a financial source for the lease financing of telecommunications equipment for Marina, and Avaya, Inc. is its successor as a supplier of leased telecommunications equipment. See Resolution No. 99-13-24-B. Avaya, Inc. is a leading global provider of communications networks and related hardware systems and software applications for more than one million business customers worldwide, including approximately 90% of the "Fortune 500" companies. While it was obviously hurt by the downturn in the telecommunications sector in recent years, it remains the second largest provider of Internet Protocol telephone software application systems and services in the world. Avaya is currently an applicant for a non-gaming casino service industry license (5607-70). As such, it appears that, as in the case of Pitney Bowes Credit Corp., *supra*, it need not be found qualified as a financial source, though the Division would not object to such a finding.

Central Leasing of N.J., Vendor Registration No. 62949, provides equipment lease financing for the gaming industry. Central Leasing shares a common ownership interest with Madison Leasing Co., Inc., a casino service industry licensee (3246-70) and a previously approved financial source. See Resolution No. 99-13-24-B. John Gerard is president of both companies and they share the same address.

First Insurance Funding Corp., Vendor Registration No. 62241, is in the business of originating commercial insurance premium finance loans on a national basis since 1996. Operating in Northbrook, Illinois, First Insurance Funding Corp. provides loans to businesses that seek to finance the payment of their annual insurance premiums. Typically, businesses obtain financing from First Insurance Funding Corp. through an insurance broker who procures insurance coverage for a business along with financing to purchase the insurance.

Ford Motor Credit Company is a wholly-owned subsidiary of publicly-traded Ford Motor Co. (New York Stock Exchange symbol "F"). It is one of the world's largest automotive financing companies providing vehicle financing in 36 countries to over 11 million customers and 12,500 automotive dealers. Presently, it provides vehicle lease financing to New Jersey casino licensees in such modest amounts (Vendor Registration No. 07977) as to not require application for casino service industry licensing.

Premium Assignment Corporation ("PAC"), Vendor Registration No. 58120, is casino service industry licensure exempted. PAC is a commercial lines insurance premium finance company which has been in business for 40 years. PAC is the fourth largest premium finance company in the United States and they are a wholly-owned subsidiary of Sun Trust Banks, Inc.

PAC finances commercial lines insurance premiums that typically range between \$2,500 and \$2,000,000. They are licensed to do business in all 50 states and have seven

branch offices, one in East Brunswick, New Jersey.

The Division's review of the aforementioned five companies has discerned no information such as would preclude their qualifications as a financial sources.

The Division submits that the debt securities issued by TACA, TAC Funding, TAC Funding II, TAC Funding III, TCH and TCF, all of which will be discussed more fully below, are widely distributed and freely traded and that no holder thereof need be qualified as a financial source. *N.J.S.A. 5:12-84b*. Accordingly, the Division does not object to such a finding.

#### D. SECURITY HOLDERS

Each entity having a direct or indirect interest in each of the Applicants must qualify in connection with their pending applications for renewal of their casino licenses. *N.J.S.A. 5:12-84b*. This includes not only the publicly traded companies, but all privately held entities as well. However, because the holders of the privately held entities are also identified as intermediary or holding companies, each must meet the standards applicable to such entities. *N.J.S.A. 5:12-85d*.

THCR is the only entity that has issued publicly traded equity securities, and TACA, TAC Funding, TAC Funding II, TAC Funding III, TCF and TCH are companies that have issued publicly traded debt securities. Holders of these publicly traded securities must also

either qualify or be waived from the qualification requirements. N.J.S.A. 5:12-85d.

DJT holds 850 shares of THCR Class B stock, and through his direct ownership of Trump Casinos, which owns 50 shares of THCR Class B stock, and Trump Casinos II, which owns 100 shares of THCR Class B stock, he beneficially owns the remaining 150 outstanding shares (*i.e.* 100%). His partnership interest in Trump Holdings is convertible into 13,918,723 THCR common shares. Indeed, the latest THCR Proxy Statement (issued pursuant to Section 14(a) of the Securities Exchange Act of 1934) indicates that DJT beneficially owned, as of April 17, 2003, an aggregate of 17,684,873 THCR common shares, which total includes the aforementioned 13,918,723 shares issuable upon the conversion of his limited partnership interest in Trump Holdings, as well as 1,700,000 issuable THCR common shares based upon the exercise of currently exercisable options, and his personal ownership of 2,066,000 THCR common shares and 150 such shares held as custodian for his children. DJT's aggregate total presently constitutes 47% of the voting shares of THCR. Assuming the aforementioned shareholder approval of the pending question on the exchangeability of THCR Preferred Stock, the additional 7,894,737 THCR common shares into which DJT's 1,500 THCR Preferred Stock shares may be exchanged would raise his beneficial ownership to 56.195%. Based upon this ownership, DJT is a security holder who must meet the qualification requirements. Based upon his positions with the Applicants as well as their various holding and intermediary companies, however, he is also required to qualify. As has been discussed above, there is no negative information that would preclude his continued qualification. Counsel for the Applicants has indicated in the pending waiver petitions (PRNs 1190301 and 1190302) that on a fully

diluted basis, and by letter of April 30, 2003, to Commission counsel that using the undiluted total of 22,101,027 shares of THCR Common as issued and outstanding as of April 17, 2003, as well, that, other than DJT, no person owns more than 5% of the THCR common stock. Were such a holder of 5% or more to exist, the presumption of control indicated in Section 105(d) of the Act would nevertheless be clearly and convincingly rebutted by the existence of the aforementioned substantial holdings of DJT in THCR common shares, both presently and prospectively.

On March 25, 2003, TCH and TCF, newly-formed subsidiaries of THCR Holdings, consummated the TCH Note Offering involving the private placement of \$490 million aggregate principal amount of two new issues of mortgage notes, consisting of \$425 million principal amount of first priority mortgage notes ("First Priority Mortgage Notes") due March 15, 2010, bearing interest at a rate of 11.625% per year payable quarterly on March 15, June 15, September 15 and December 15 (commencing June 15, 2003) in cash, sold at 94.832% of their face value for an effective yield of 12.75%, and \$50 million principal amount of second priority mortgage notes ("Second Priority Mortgage Notes" and together with the First Priority Mortgage Notes, the "TCH Notes"), due September 15, 2010, with interest of 11.625% per year payable semi-annually on March 15 and September 15 (commencing September 15, 2003) in cash plus an additional 6% payable through the issuance of payable-in-kind notes. In connection with the TCH Note Offering, DJT purchased \$15 million aggregate principal amount of additional Second Priority Mortgage Notes at the same purchase price as the initial purchases of the Second Priority Mortgage Notes. Upon the consummation of the TCH Note Offering, THCR Holdings contributed to

TCH the equity interests of TMA, TMI, Trump Indiana, Trump Indiana Realty, L.L.C., THCR Management Holdings, L.L.C., and THCR Management Services, L.L.C. (collectively the Subsidiary Guarantors).

In June 1995, as one of the transactions of the 95 Offerings, Trump Funding and Trump Holdings, as co-obligors, issued \$155 million aggregate principal amount of 15.5% Senior Secured Notes, due 2005 ("Senior Notes"). As noted earlier, however, the Senior Notes were called for redemption on March 25, 2003, with a portion of the proceeds of the TCH Note Offering. Indeed, the TCH Note Offering could not have been consummated unless the Senior Notes were retired in that the trustee of the Senior Notes held the capital stock and equity interests in the Subsidiary Guarantors as collateral security for the Senior Notes. Likewise, proceeds of the TCH Note Offering were used to redeem the 11.75% Mortgage Notes, due November 15, 2003, issued by TCFI in December 1993 in the aggregate principal amount of \$242.1 million, as well as the outstanding 13.875% Pay-In-Kind Bonds, due 2005, which were also issued by TCFI in December 1993. Accordingly, while the holders of these securities were waived from qualification in the prior 1999 renewals, no similar waivers for these past debt issues are presently required.

On April 17, 1996, as part of the Taj Merger, TACA and TAC Funding, as co-obligors, issued \$1.2 billion aggregate principal amount of 11.25% first mortgage notes due May 1, 2006 ("Mortgage Notes"). TACA, TTMA, TPA, and all future subsidiaries of TACA, with the exception of TAC Funding, fully and unconditionally guaranteed this obligation, and the Mortgage Notes are jointly and severally secured by mortgages representing a first

lien and security interest on substantially all of the assets of TTMA and TPA.

On December 10, 1997, TACA and TAC Funding II, as co-obligors, issued an additional \$75 million aggregate principal amount of 11.25% first mortgage notes due May 1, 2006 ("Capital Expenditure Notes"). On that same day, TACA and TAC Funding III issued \$25 million aggregate principal amount of 11.25% first mortgage notes due May 1, 2006 ("Working Capital Notes"). The terms, conditions, guarantees and security interests of the Capital Expenditure Notes and the Working Capital Notes are identical to those of the Mortgage Notes. Therefore, the Commission has determined that for purposes of determining qualifiers, the three issues are combined and deemed to be one issue with an aggregate principal face amount of \$1.3 billion (collectively "TACA Notes").

CEDE is nominee for the Depository Trust Company ("DTC"), which is a limited purpose trust company, wholly owned by its participant financial institutions, which is used as a "clearing" corporation pursuant to the Uniform Commercial Code. In order to effectuate the transfer and pledge of the computerized book entries of securities deposited with it by its participants, all securities that are deposited are registered in the name of its nominee, CEDE. These deposits do not alter beneficial ownership. Hence, while CEDE is a record owner the individual customers remain the beneficial holders. The Applicants have provided CEDE listings for the debt securities described above, dated April 24, 2003. CEDE currently holds 99.9% of the TCH Notes and 99.4% of the TACA Notes. Using these CEDE listings, the Applicants have identified the following participant institutions as holding 15% or more of those securities: (1) JP Morgan Chase, \$269,268,000 or 20.7%



of the TACA Notes; (2) Bank of New York, \$221,067,000 or 17% of the TACA Notes and \$84,890,000 or 19.9% of the TCH First Priority Mortgage Notes; (3) State Street Bank and Trust Company, \$104,120,000 or 24.5% of the TCH First Priority Mortgage Notes; and, (4) Deutsche Bank Securities with \$35,000,000 or 53.9% of the TCH Second Priority Mortgage Notes. On May 6, 2003, counsel for the Applicants sent inquiry letters to these institutional holders, requesting confirmation that they are custodians and asking them to identify, in turn, any customer who may be a beneficial holder of 15% or more. The TCH Notes were issued pursuant to Rule 144A of the Securities Act of 1933, and sold to a limited number of initial purchasers for resale to qualified institutional buyers. Pursuant to the Commission's approval of the TCH Note Offering, the initial holders, including Deutsche Bank Securities, were granted waivers of qualification pursuant to Act Section 85(d)(1) and were not required to qualify as financial sources. See Resolution Nos. 03-22 and 03-76.

Provided such representation letters are received and no single beneficial owner holds 15% or more, the Division would concur in a waiver from qualification requirements for all of these custodial holders of debt securities. If any customer is identified as holding 15% or more, it, too, must either be qualified or individually waived. It appears that no other holder of debt or equity securities issued by the above-described qualified entities, with the exception of DJT, needs to meet the qualification requirements applicable to the renewal of the Applicants' casino licenses. *N.J.S.A. 5:12-85(c) and (d)*. Accordingly, the Division does not object to waivers from qualification for all other equity and debt security holders.

### III. SIGNIFICANT EVENTS

#### A. LITIGATION

##### 1. Recent Litigation

THCR and its affiliates and subsidiaries do not currently have any pending material litigation. Since the last renewal investigation of TTMA, TPA and TMA, the following matters have been concluded and are reported below.

a. William K. Steiner v. Donald Trump, et al. and  
Trump Hotels & Casino Resorts, Inc.

On August 2, 1999, William K. Steiner, the owner of THCR common stock, filed a complaint in the Chancery Court of Delaware for New Castle County against DJT, Nicholas Ribis (former President, Chief Executive Officer and THCR board member), members of the Board of Directors of THCR and THCR, claiming a breach of fiduciary duties in acquiescing to and approving a \$26 million cash advance to DJT.

On October 1, 1999, the defendants filed a Motion to Dismiss the complaint and a Memorandum of Law in Support of their Motion to Dismiss was filed on January 31, 2000. Plaintiff entered into a Stipulation dismissing the case, without prejudice, subject to the approval of the Chancery Court. No consideration was paid by the defendants in exchange for plaintiff's agreement to settle the case.

b. Mark Metelman v. Donald J. Trump, et al.

On March 20, 2000, Mark Metelman, a stockholder of THCR, filed a class action on behalf of all THCR stockholders in the Chancery Division, New Jersey Superior Court, against THCR and members of the Board of Directors claiming that a third party made an offer to purchase THCR and one or more board members wrongly failed to consider the offer. The defendants filed a Motion to Dismiss in Lieu of Answer. On October 12, 2000, the plaintiff's complaint was dismissed without prejudice and the Court granted the plaintiff leave to file an amended complaint pleading a stockholder derivative action. An amended complaint was filed, and in March 2001, without admitting wrongdoing or liability, the parties reached a settlement agreement which was approved by the Court on August 17, 2001.

Pursuant to the settlement agreement, THCR agreed that any future offers to purchase THCR will be reviewed by the Special Committee which consists of independent directors not affiliated with DJT. The Special Committee will make recommendations to the THCR Board of Directors concerning any offers. If the Board of Directors or the Special Committee deems an offer to be substantial, the settlement requires THCR to advise THCR's stockholders in a timely fashion. However, the Board of Directors will have the ultimate decision making authority as to the response of THCR to any offers.

## 2. Updates On Previously Reported Litigation

In the course of reporting on the prior license renewal of TCS, the Division has provided running accounts of the various pieces of litigation surrounding development and funding of the H-Tract (now known as Renaissance Pointe) in Atlantic City and the related construction of the Westside Connector tunnel project. Those accounts are updated below.

a. Mirage Resorts, Inc. v. Donald Trump, Trump Hotels & Casino Resorts, Inc.,  
and Hilton Hotels Corporation

On September 7, 1997, Mirage filed a complaint against DJT, THCR and Hilton Hotels Corporation in the United States District Court for the Southern District of New York seeking damages for intentional interference with Mirage's prospective economic advantage, tortious inducement of a breach of fiduciary duties, antitrust law violations and injunctive relief. Mirage alleged a conspiracy of the defendants to impede its efforts at developing the Atlantic City H-Tract. A motion by defendants to dismiss the complaint was denied by the Court's Order of December 18, 1998. Accordingly, on February 2, 1999, the Trump defendants filed their answer to the complaint.

On April 20, 1999, Mirage and Mirage Casino Hotel filed a complaint against THCR and other defendants in Nevada State Court (See "b" below). On February 23, 2000, THCR and Mirage entered into an agreement whereby the two matters would be dismissed

with prejudice. The parties exchanged mutual releases and no monetary payment was made by either side. On February 29, 2000, the Court dismissed these actions. The agreement has been sealed by the Court.

b. Mirage Resorts, Inc., et al. v. Trump Hotels & Casino Resorts, Inc., et al.

On April 20, 1999, Mirage Resorts, Inc. ("Mirage"), filed a 17 count civil action in the Clark County, Nevada, District Court naming THCR, as well as two of Mirage's former marketing executives (Laura Choi and Paul Liu), a private investigative firm and its two operatives (William Kish and Curt Rodriguez), Joseph Guzzardo (former TCS Director of Corporate Security), and other unknown and unnamed parties as defendants. The gravamen of the action was an assertion that THCR, through its employees and agents, intentionally interfered with the contractual relations existing between Mirage and certain of its Mirage marketing employees to misappropriate Mirage's trade secrets regarding Mirage patrons and to divert such select high-roller players and their patronage from Mirage to Trump Taj Mahal Casino Resort thus intentionally interfering with Mirage's prospective economic advantage. Mirage sought monetary damages, punitive (exemplary) damages, interest and injunctive relief seeking the return of information as well as a prohibition against its use or disclosure by any of the defendants. On May 14, 1999, THCR filed a Notice of Removal to the United States District Court, District of Nevada. On May 17, 1999, THCR filed its Answer generally and specifically denying the allegations along with a Request for Jury Trial. Laura Choi filed an Answer, Demand for Jury Trial and

Counterclaim on May 20, 1999. Curt Rodriguez also filed an Answer.

On July 16, 1999, THCR joined in the Joint Motion to Realign Defendant Curt Rodriguez as a Plaintiff for Discovery and an Evidentiary Hearing and for Sanctions. On August 19, 1999, THCR filed a Motion for Protective Order and Evidentiary Hearing asking the Court to conduct an evidentiary hearing and to issue a protective order prohibiting the disclosure or exploitation of confidential material or information improperly acquired by Mirage from Curt Rodriguez. A hearing on the Joint Motion to Realign Defendant, Curt Rodriguez, as a Plaintiff for Discovery and an Evidentiary Hearing and for Sanctions was held on September 3, 1999.

On September 8, 1999, Mirage filed Plaintiff's Opposition to Defendant THCR's Motion for Protective Order and Evidentiary Hearing asking the federal court to deny THCR's Motion for Protective Order and Evidentiary Hearing. On September 20, 1999, THCR submitted a Reply in Support of Motion for Protective Order and Evidentiary Hearing. Mirage responded by filing an Expedited Motion to Strike Defendant's Reply in Support of Motion for Protective Order or in the Alternative for Leave to File a Surreply. On October 14, 1999, the federal court heard THCR's Motion for Protective Order and Evidentiary Hearing and granted their motion on October 29, 1999. An evidentiary hearing was scheduled for December 20, 1999.

On February 23, 2000, the Nevada state court dismissed the action. THCR and

Mirage entered into a Settlement Agreement and Mutual Release which was executed by all parties except Ms. Choi. The Agreement dismissed, with prejudice, the cases: *Mirage Resorts, Inc. v. Donald Trump, et al.*, 97 DIV 6693, pending in the United States District Court for the Southern District of New York, and *Mirage Resorts, Inc., et al. v. Trump Hotel & Casino Resorts, Inc., et al.*, CV-S-99-0599-PMP, pending in the United States District Court for the District of Nevada. This agreement was sealed by the District Court on February 20, 2000.

c. *Aggarwal, et al. v. Trump, et al.*

On March 26, 1996, eight Indiana residents filed a complaint in the United States District Court, Southern District of Indiana, against DJT, THCR, Trump Holdings and Trump Indiana, the Gary, Indiana riverboat casino operation, alleging breach of contract. Subsequently, the Trump Organization, Inc., was also named as a defendant. The plaintiffs asserted a right to purchase stock in Trump Indiana equal to 7.5% of Trump Indiana's value and that Trump Indiana was required to contribute an additional 7.5% of its shares to the creation and funding of a charitable foundation for the benefit of residents of the Gary, Indiana, region. They also sought compensatory and punitive damages.

The claims allegedly arose from discussions held in 1994 when the plaintiffs were approached by legal representatives of THCR with an offer to become local investors, shareholders in the riverboat project, and trustees of a proposed charitable trust to be

funded with stock in the riverboat project. Several letters appear to memorialize the offer and although the plaintiffs claimed that they accepted, no formal documents were signed by them. They did, however, attend, allegedly at defendants' request, several hearings before the Indiana Gaming Commission, in August and September 1994, where the defendants' representatives held them out as prospective 7.5% owners of Trump Indiana and trustees of a charitable foundation to be funded with 7.5% of Trump Indiana's stock.

Ultimately, monetary settlements were reached between all of the defendants and six of the plaintiffs. In February 1999, the two remaining plaintiffs voluntarily dismissed all claims against the Trump Organization, Inc., and the Court entered summary judgment against the plaintiffs in favor of THCR and Trump Holdings on all claims in the litigation. Upon trial by jury concluded on March 3, 1999, consequential damages of approximately \$1.3 million were found against Trump Indiana for breach of contract. The jury further decided that Trump Indiana had breached a contract to create and fund a charitable foundation. No damages were found against DJT personally and no punitive damages were awarded against either DJT or Trump Indiana. The Court, sitting in equity, would determine whether, and to what extent, Trump Indiana would be required to provide additional funding for the charitable foundation. In this regard, it should be observed that Trump Indiana did fund a charitable foundation for the benefit of the regional residents pursuant to its commitment to the Indiana Gaming Commission and in accordance with the development agreement entered between Trump Indiana and the City of Gary, Indiana. That agreement, entered on May 1, 1996, included provisions for the establishment of the



"Trump Indiana Foundation," a private foundation for charitable purposes. On December 31, 1996, Trump Indiana provided \$1 million in initial funding and was required to make annual contributions of \$100,000 for the four-year life of the agreement. Indeed, such subsequent payments were made on December 31, 1997, and 1998. The Court heard arguments concerning the foundation funding on March 23, 1999.

On December 9, 1999, the United States District Court decided the equity claim ruling that the plaintiffs were not entitled to the equitable relief sought and that Trump Indiana had met its obligation by establishing and funding another charitable foundation for the benefit of the residents of Gary, Indiana. The plaintiffs appealed the ruling in equity in favor of Trump Indiana and Trump Indiana cross-appealed the jury verdict in favor of plaintiffs. The United States Seventh Circuit Court of Appeals affirmed the ruling in equity in favor of Trump Indiana and reversed the jury verdict in favor of the plaintiffs and dismissed their claim.

d. Stockholder Derivative Suits Related to the Trump  
Castle Associates, L.P., Acquisition

Two derivative actions were filed by stockholders of THCR on August 14, 1996, in the Chancery Court of Delaware for New Castle County against each of the members of the Board of Directors of THCR and THCR, Trump Holdings, TCA (now TMA) and TCI-II claiming a breach of fiduciary duties by those directors in the acquisition of TCA on

October 7, 1996, by purchasing it for an excessive and self-dealing price. In addition to damages and an accounting, an injunction was requested in the original complaint, but an injunction was not pursued.

On October 16, 1996, a THCR stockholder similarly filed a derivative action in the United States District Court, Southern District of New York, against each member of the Board of Directors of THCR as well as THCR, THCR Holdings, TCA (now TMA), TCI, TCI-II, TCHC (now TMI) and Salomon Brothers (which issued the fairness opinion regarding the acquisition of TCA), again charging a breach of fiduciary duties in connection with the TCA acquisition, commission of certain *ultra vires* acts, violations of federal securities laws regarding alleged misrepresentations and omissions in the relevant proxy statements and that DJT, TCI-II and TCHC breached the acquisition agreement by supplying untrue information for inclusion in the proxy statements. The suit sought removal of the directors of THCR, an injunction, rescission and damages.

The Delaware state court cases were amended, refiled and consolidated with the federal action for all purposes including pretrial proceedings and trial. On January 17, 1997, a Consolidated Amended Derivative Complaint was thus filed. A second amended complaint was put forth seeking to add additional claims regarding a previously contemplated transaction with Colony Capital, Inc. When, however, the contemplated transaction did not proceed and negotiations with Colony Capital, Inc., ended, a third consolidated complaint was put forward on June 26, 1997, which deleted the claims

regarding Colony Capital, Inc. On August 5, 1997, the defendants moved for dismissal. By response of October 24, 1997, the plaintiffs opposed the motion to dismiss. Defendants served their reply on December 9, 1997.

By decision and order dated September 21, 2000, the Court denied the defendants' motion to dismiss. The Court also granted plaintiffs' application to amend the Third Amended Complaint. On October 11, 2000, plaintiffs served their Fourth Consolidated Amended Stockholder's Derivative Complaint. On November 17, 2000, the defendants served answers to the Fourth Amended Complaint.

On December 10, 2001, the Court approved a settlement agreement. The Castle Settlement Agreement became effective in January 2002. Pursuant to the Agreement, without admitting or denying any wrongdoing, DJT contributed to THCR Holdings one half of each of his (1) 1% general partnership interest and (2) 49% limited partnership interests in Miss Universe, L.P. Also, pursuant to the Agreement, THCR increased the number of directors from four to five and appointed Robert J. McGuire to fill the newly-created vacancy. THCR also covenanted that all future proposed transactions involving THCR or THCR Holdings in which DJT has a personal interest valued over \$200,000 or any transaction between THCR and any officer or director having a value of at least \$200,000 (other than transactions relating to salary or other compensation paid in the ordinary course of business) will be reviewed by a Special Committee comprised of Mr. McGuire or his successor, who shall be an independent outside director, and one or more non-

employee directors (other than DJT) of THCR, which shall make findings and recommendations to the Board with respect to the proposed transactions. The Special Committee is required to be comprised of at least two non-employee directors and no employee directors. The attorney for the plaintiff applied to the Court for up to \$3 million in legal fees and \$150,000 in expenses. These fees were paid by THCR's directors and officers liability insurance carriers.

e. State of New Jersey, et al. v. Trump Hotels & Casino Resorts, Inc.

On April 10, 1997, the State of New Jersey and the Casino Redevelopment Authority ("CRDA") brought this action in the Law Division, Superior Court of New Jersey, seeking a declaratory ruling approving the funding mechanism for the tunnel project, which had been challenged by DJT in federal district court in March 1997, which case was concluded against DJT's claims in 1998 and was previously reported upon. On May 14, 1997, the Law Division ruled that the State was free to spend the tax revenue collected under various legislation at its discretion and denied THCR's assertion of unconstitutionality.

THCR appealed and also sought direct certification by the New Jersey Supreme Court. The latter request was denied on June 30, 1997. On March 24, 1998, the Appellate Division of the New Jersey Superior Court affirmed the lower court's decision in favor of the State and CRDA. On May 21, 1998, THCR filed an appeal with the New Jersey

Supreme Court, which heard oral argument on the matter on January 21, 1999.

On August 2, 1999, the New Jersey Supreme Court affirmed the judgment of the Appellate Division.

f. Trump Hotels & Casino Resorts, Inc. v. Casino

Reinvestment Development Authority

On June 26, 1997, THCR filed a complaint in lieu of an action for prerogative writs in the Law Division, New Jersey Superior Court, against the CRDA seeking a review of the CRDA's approval of \$120 million in funding for the tunnel and related highway construction charging that it was arbitrary, capricious, unreasonable and contrary to the law and the public interest. The action sought an injunction prohibiting the CRDA from contributing funding to the project. On October 6, 1997, in response to the CRDA motion, the Law Division transferred the action to the Appellate Division for resolution. The matter was heard on January 12, 1999. On June 19, 1999, the Appellate Division dismissed THCR's claims and on November 23, 1999, the New Jersey Supreme Court denied THCR's petition for certification.

g. Trump Hotels & Casino Resorts, Inc. v. New Jersey

Department of Transportation, Inc., et al.

On June 26, 1997, THCR filed an action against NJDOT, SJTA, Mirage and others in the Chancery Division, Superior Court of New Jersey, seeking an injunction of the public funding of the tunnel project and the related road development agreement between NJDOT, Mirage and others dated January 10, 1997. On October 24, 1997, the Court granted summary judgment in favor of all the defendants. On December 10, 1997, THCR appealed this decision to the Appellate Division. THCR's case was consolidated with another appellate action, *Daniel Gallagher, et al. v. CRDA, et al.*, brought on behalf of several Middlesex County, New Jersey, municipalities which also challenged the legality of the actions taken by NJDOT and SJTA in entering the road development agreement with Mirage, in agreeing to fund the project pursuant to the program management agreement and authorizing the award of certain related road construction contracts. The complaint of the municipalities had been dismissed below on October 22, 1997. The appeals were argued on February 23, 1999. The Appellate Division affirmed the decisions below on June 19, 1999. On November 23, 1999, the New Jersey Supreme Court denied THCR's petition for certification.

h. Fuentes v. Trump Marina Associates

On April 8, 2003, a Camden County jury awarded Felicisino Fuentes, a retired

architect, \$4.8 million in damages for injuries he received when he was attacked outside the Marina, based on a claim that the casino company provided inadequate security. The jury award is broken down as follows: \$3 million for future medical care, \$1 million for pain and suffering and \$800,000 for his wife's loss of consortium. The Fuentes also received \$400,000 in prejudgment interest. TMA has insurance coverage for any amount over \$150,000. No appeal was taken and the matter was recently resolved.

## B. COMPLIANCE MATTERS

### 1. Securities and Exchange Commission

On October 25, 1999, THCR announced earnings results for the third quarter of 1999 (the "Earnings Release"). The Securities and Exchange Commission ("SEC") commenced an investigation against THCR and found that the Earnings Release was materially misleading in that it indicated that THCR had exceeded earnings expectations and had done so through operational improvements, when it had not. Specifically, in the Earnings Release, THCR failed to note that its net income results for the third quarter of 1999 included a one-time gain of \$17.2 million realized from a September 24, 1999 transaction whereby its subsidiary, TTMA, took over the operations of All Star Café from Planet Hollywood International, Inc.

Although not charged by the SEC with wrongdoing, the individuals instrumental in the issuance of the Earnings Release were Nicholas Ribis, former President, Chief Executive Officer and member of the Board of Directors of THCR and Chief Executive

Officer of TTMA; Francis McCarthy, Chief Financial Officer and Executive Vice President of Corporate Finance of THCR; and, John Burke, Treasurer and Executive Vice President of THCR and Treasurer of TTMA.

The SEC's investigation culminated with an Order Instituting Cease-and-Desist Proceedings, Making Findings, and Issuing Cease-and-Desist Order, dated January 16, 2002, and filed simultaneously therewith an Offer of Settlement with THCR.

On August 2, 2002, the Division filed with the Commission a *Report to the Casino Control Commission on Action by the United States Securities and Exchange Commission Concerning an Earnings Press Release Issued by Trump Hotels & Casino Resorts, Inc. in October 1999*. The Division concluded that the conduct of THCR and Messrs. Ribis, McCarthy and Burke did not negatively impact their qualifications under the Act and recommended to the Commission that it take no action concerning the issuance of the Earnings Release on October 25, 1999.

## 2. New York Temporary State Commission on Lobbying

The New York Temporary State Commission on Lobbying investigated DJT and THCR in connection with the funding of a campaign by the New York Institute for Law and Society accusing the St. Regis Mohawks of habitual violence and illegality. On November 13, 2000, THCR entered into a settlement agreement with the New York Temporary State



Commission on Lobbying and paid civil penalties of an aggregate amount of \$250,000 with respect to alleged filing deficiencies and made a public apology in the upstate New York media. The settlement avoided a public hearing before that Commission.

3. Gaming Related Regulatory Matters

a. New Jersey Regulatory Compliance

The Division's Regulatory Enforcement Bureau conducts regular audits of casino operations and investigates potential violations of the Act and regulations promulgated pursuant thereto. The results are forwarded to the Division's Regulatory Prosecutions Bureau ("RPB") for legal analysis. If regulatory action is warranted, the matter may proceed in a "warning letter" format in which the potential regulatory violation is called to the attention of the licensee and corrective action is taken. The variety of topics covered in warning letters included such matters as timeliness of internal control submissions, computer security, hopper fills, CHAB infractions, etc. Illustrated in the chart below are the yearly totals by individual Applicants as juxtaposed to the yearly, combined industry warning letter totals issued by the RPB during the past license period:

### Chart of Warning Letters

<u>Year</u>	<u>Industry Total Warning Letters</u>	<u>Taj Mahal</u>	<u>Marina</u>	<u>Plaza</u>	<u>Combined Applicants Total</u>	<u>Combined Applicants % of Total</u>
2002	94	4	4	12	20	21%
2001	72	9	5	4	18	25%
2000	42	5	3	5	13	31%
1999	102	11	7	7	4	22%

It appears that the combined Applicants percentage of total warning letters has trended down over the past three years from 31% to 21%, while the number of total industry warning letters has more than doubled during the same period. While Plaza's warning letter total in 2002 broke their downward trend, it should be observed from the information below that based on actual complaints filed for violations, Plaza has performed extremely well over the four-year license term.

Summarized below by casino and in docket number order are the 22 violation complaints, completed or pending resolution, based on actions occurring since the Applicants' last casino license renewals.

#### i. Plaza

Plaza had only three complaints filed during the license period, two have been resolved and one is pending final Commission action. In Docket No. 00-0671-VC, Plaza

was charged in a two count complaint with failure to collect vigorish from patrons in the game of baccarat as required by the regulations. The matter was settled on November 29, 2000, with the Commission's imposition of a civil penalty of \$25,096. In Docket No. 02-0589-VC, Plaza was charged with underage gambling. The matter was settled upon the imposition of a \$10,000 fine by the Commission on May 22, 2003. Currently pending is Docket No. 02-1007-VC, a complaint which involves underage gambling and the potential forfeiture of a \$1,000 slot jackpot theoretically owed to a juvenile by Plaza.

ii. Marina

Marina has had five complaints filed during the license period, one of which has been resolved and the remainder, which involve underage gambling or alcoholic beverage consumption, are pending. Pursuant to Docket No. 01-0446-VC, Marina was charged with regulation violations concerning the imposition of a limit on the number of entries which could be earned by a player during their Hot Slot Sweepstakes. The matter was settled with the parties agreeing to the imposition of a civil penalty of \$35,000.

Of the pending underage patron matters, Docket No. 02-0391-VC, involving a complaint filed on May 6, 2002, appears to be the most serious. Commissioner Epps, as hearing officer, has issued an initial decision calling for the imposition of a total of \$60,000 in civil penalties (\$35,000 for permitting a certain underage (19 year old) person to gamble on multiple occasions as well as \$25,000 for failing to maintain an adequate screening program for issuance of rating cards). Exceptions have been filed and the matter is

tentatively scheduled for Commission consideration at its public meeting of June 4, 2003. In Docket No. 02-0590-VC, filed July 8, 2002, Marina was charged in one count with an underage drinking violation, and in Docket No. 02-0958-VC, filed November 19, 2002, in one count with permitting an underage person to enter, remain in and wager at a casino game. These matters are both in settlement negotiations. Similarly, the final pending matter, Docket No. 02-1006-VC, filed December 13, 2002, involves the potential forfeiture of a \$1,500 slot jackpot theoretically owed to an underage gambler at Marina.

### iii. Taj Mahal

Fourteen completed or pending violation complaint cases have been filed against Taj Mahal since the last renewal. Of that total, ten charged underage gambling or alcoholic beverage consumption violations.

The following three completed cases did not involve underage patrons. In Docket No. 00-0657-VC, Taj Mahal agreed to settle for the imposition of a \$30,000 civil penalty on a three-count complaint of failure to adhere to program rules concerning its "March Millennium Madness Sweepstakes." In Docket No. 00-0934-VC, a \$10,000 civil penalty was imposed, pursuant to a settlement agreement, for a slot audit violation. In Docket No. 02-0532-VC, an \$85,000 civil penalty was imposed by the Commission based on the settlement of a complaint charging that Taj Mahal should be held liable for the improper loan activities of an independent junket representative. Docket No. 01-0672-VC is a three-count complaint, filed July 30, 2001, charging Taj Mahal with three counts of failing to

afford equal employment opportunities to its female employees in the limousine driver area. The matter is currently pending a Commission hearing.

Eight of the ten underage patron complaints filed against Taj Mahal during the past license term have been resolved. On April 25, 2001, the Commission, pursuant to settlement agreements, imposed civil penalties of \$35,000 and \$30,000, respectively, on Taj Mahal for two complaints (Docket No. 00-0322-VC and 00-0429-VC) charging underage gaming violations. Subsequently, on September 19, 2001, the Commission imposed a record high civil penalty of \$90,000 on Taj Mahal pursuant to a settlement of a similar violation complaint (Docket No. 00-0833-VC), charging that two underage individuals had been allowed to enter, remain in and wager at casino games. Subsequent penalties of \$10,000 have been imposed in settlement of four underage gaming violations (Docket Nos. 02-0588-VC, 03-118-VC, 03-019-VC and 03-0120-VC) and one underage alcoholic beverage violation (Docket No. 02-0335-VC). Two complaints charging underage gambling remain pending against Taj Mahal. The first, Docket No. 02-0960-VC, filed November 19, 2002, charges one-count of allowing an underage person to enter, remain in and wager in a casino. The second such pending matter, Docket No. 03-0114-VC, filed January 29, 2003, seeks the Commission's order of a forfeiture of a \$12,500 slot jackpot theoretically owed by Taj Mahal to an underage gambler.

#### b. Indiana Regulatory Compliance

The Indiana Gaming Commission ("IGC"), which regulates the Trump Indiana riverboat casino, has instituted three regulatory violation complaints against Trump Indiana since 1999. In 1999 and 2001, no disciplinary actions were filed against Trump Indiana. In 2000, one disciplinary action was initiated against Trump Indiana for allowing employees of a supplier to board the Trump riverboat to install surveillance equipment in violation of the their Riverboat Gaming Act. DJT entered into a settlement agreement and paid a \$2,000 fine. In 2002, there were two regulatory actions taken against Trump Indiana. The first complaint resulted in a \$3,100 fine imposed due to a minor obtaining access to the riverboat. The second complaint resulted in a \$12,000 fine imposed due to canceling 16 separate cruises due to lack of fuel. The IGC originally agreed to a \$16,000 fine, but reduced it after DJT submitted procedural changes to prevent further occurrences.

#### c. Trump 29 Casino Regulatory Compliance

The operation of casinos and other gaming on Indian lands is subject to the jurisdiction of the National Indian Gaming Commission ("NIGC"). The NIGC has the authority to conduct investigations, undertake enforcement actions, conduct background investigations, audits and review the approved tribal gaming ordinances. The NIGC was contacted and there was no record of violations, no notices of violations and no pending notices of violations against Trump 29 Services in their management of the Trump 29 Casino.

Pursuant to their compact with the State of California, licensing and registration requirements for Trump 29 Casino are governed by the California Gambling Control Commission and the Tribal Gaming Authority. Checks with these organizations, as well as the California Department of Justice, Division of Gambling Control, also revealed no negative information.

In the Division's view, none of the foregoing violations of local gaming laws, taken either individually or cumulatively, involves or calls into question the continuing suitability for licensure or qualification of any of the New Jersey casino licensees or their qualifying entities or individuals.

d. License Condition Compliance

Upon the grant of their renewals in 1999, the Commission imposed five conditions on each of the Applicants touching upon the following areas: (1) Imputed Holding Company Status; (2) DJT Notice Requirement; (3) Due Diligence Procedures; (4) Audit Committee; and (5) Mid-term Financial Forecasts. See Resolution Nos. 99-13-24-A at pages 11 and 12, 99-13-24-B at pages 11 and 12 and 99-13-24-D at pages 12 and 13. The Division's review of these conditions indicates that all three Applicants have fully complied. We note, however, that the Applicants did not avail themselves of the opportunity described in the *proviso* of the aforementioned Due Diligence Procedures conditions to modify them to exclude DJT and the Trump Organization by submitting new procedures for Division review and Commission approval. With the exception of the Audit Committee Condition, which

has, in effect, been superseded or replaced by more stringent requirements for independent membership, the Division, with the agreement in essence of the Applicants' counsel, recommends the re-imposition of the other four conditions substantially as drafted in Exhibit 5, attached.

e. Compliance with Duty to Cooperate and Provide Information

Licensing qualification carries with it a continuing duty to cooperate with the Commission and Division, provide all information required and consent to inspections as appropriate. *N.J.S.A. 5:12-80*. The Applicants, their holding, intermediary, entity qualifying companies and respective individual qualifiers have all filed the appropriate forms for licensure renewal as well as provided all additional information and have otherwise cooperated with the Division in the conduct of its inquiries. Accordingly, the Division submits that they have fully complied with the duty to cooperate and provide information.



#### IV. FINANCIAL ANALYSIS

##### A. OVERVIEW

To facilitate our analysis, we required forecast projections from management of the Applicants and their parent companies for the years 2003-2005 of the four-year license renewal period they seek. Beyond 2005, management was requested to advise the Division and the Commission of its plans for any significant financial and investment activities for years 2006 and 2007. In response, management has advised that they plan to refinance the TACA Notes which come due in May 2006 and do not anticipate any other significant activity, including any major capital expenditures for the years 2006 and 2007 nor do they have any present plans for the vacated Trump World's Fair site. As has become standard, the Division plans to review financial results and forecasts mid-way through a renewed four-year license term. Accordingly, if four-year license renewal terms are granted herein, the Division will request that a condition be imposed requiring the Applicants and THCR to provide to the Commission and Division by March 31, 2005, financial forecasts for the remainder of the renewed license period.

To review the financial viability of the qualifying intermediary holding companies (such as TACA and TCH), their financial vehicles (entities such as TCF) and the ultimate publicly-traded parent company (THCR) of the Applicants, it should first be observed that these qualifying entities do not generate revenues themselves. They are dependent upon the ability of the Applicants, Trump Indiana and the management fees from Trump 29

Casino to generate the funds necessary to meet their financial needs and obligations.

Accordingly, we shall begin our overall review with an analysis of the financial performance of Plaza, Taj Mahal and Marina throughout the forecast period and progress up through the several chains of ownership from the casino licensees to the ultimate parent, THCR, and assess the ability of the operating companies to meet their own needs and those of THCR given their anticipated performances. We start with a review of Plaza and Taj Mahal which pass through TACA in the ownership chain to the parent, THCR. We next review Marina which passes through TCH as the intermediate holding company to THCR. We complete the chains with a review of THCR before reaching our conclusions as to the continuing financial qualifications of the licensees and their qualifying entities.<sup>1</sup>

## B. TRUMP PLAZA ASSOCIATES

### 1. Actual and Forecasted Operations

Table 1 below presents Plaza's actual and forecasted Net Revenue, GOP and GOP Margin for the five years ending December 31, 2005.<sup>2</sup>

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<sup>1</sup>All presentations in the Tables which follow are subject to rounding adjustments.

<sup>2</sup>Net Revenue reflects gross revenues from operations less promotional allowances. Gross Operating Profit ("GOP") is the standard that has been used to measure profitability in the Atlantic City casino industry. It reflects Net Revenue less direct operating expenses. GOP Margin is the ratio of Net Revenue to GOP. In contrast, EBITDA represents earnings before interest, taxes, depreciation and amortization. The EBITDA calculation typically deducts such items as management fees from the calculation of earnings resulting in a lower number than GOP.

Table 1  
 Trump Plaza Associates  
 Net Revenue, GOP and GOP Margin  
 For the Five Years Ending December 31, 2005  
 (\$ in millions)

	Actual <u>2001</u>	Actual <u>2002</u>	Forecast <u>2003</u>	Forecast <u>2004</u>	Forecast <u>2005</u>
Net Revenue	\$301.6	\$316.2			
Costs and Expenses	<u>(235.3)</u>	<u>(235.2)</u>			
GOP	<u>\$66.3</u>	<u>\$81.0</u>			
GOP Margin	22.0%	25.6%			

Plaza's Net Revenue is forecasted to decline due to competitive pressures from the opening of the Borgata Hotel Casino & Spa ("Borgata") in the summer of 2003 and remain under competitive pressure until approximately mid-2004 despite management's belief that the overall Atlantic City slot win will grow by \_\_\_\_\_ during this period. However, while Net Revenue is forecasted to rebound slowly, operating expense controls are forecasted to result in an improved GOP and GOP Margin for 2004 and 2005. Operating expenses are forecasted to drop from \$235.2 million in 2002 to \_\_\_\_\_ in 2003 with the reduction in Net Revenue and the implementation of EZ Pay in the second half of 2003.<sup>3</sup> A further reduction of expenses of \_\_\_\_\_ is forecasted in 2004 primarily due to the impact of the implementation of EZ Pay for a full year. Net Revenue growth is forecasted to exceed growth in expenses in 2005, thus GOP and GOP Margin improve.

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<sup>3</sup> The EZ Pay Ticket System lets customers cash out their slot machine credits by a bar-coded voucher which they may redeem for cash, use in another machine or keep for a future visit. The system reduces coin handling expense.

For the first quarter of 2003, Plaza had expected Net Revenue of \$69.5 million and GOP of \$13.4 million and it achieved this forecast with \$70.0 million in Net Revenue and GOP of \$14.1 million. Net Revenue and GOP were, however, down from \$75.9 million and \$19.3 million, respectively, achieved in the first quarter of 2002. The weather and the war in Iraq were cited as factors negatively impacting results for the first quarter of 2003.

## 2. Actual and Forecasted Cash Flows

Table 2 below presents Plaza's actual and forecasted cash flows for the five years ending December 31, 2005.

Table 2  
Trump Plaza Associates  
Cash Flow Summary  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Actual	Actual	Forecast	Forecast	Forecast
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net Cash from Operating Activities	\$9.1	\$0.3			
Cash Flows from Investing Activities					
Capital Expenditures	(2.0)	(4.7)			
Purchase of CRDA Obligations	(4.0)	(4.2)			
Purchase of Other Investments	0.2	11.8			
CRDA Donation	<u>0.2</u>	<u>3.3</u>			
Net Cash Provided (Used) for Investing Activities	(5.6)	6.2			
Cash Flows from Financing Activities					
Proceeds from Short-term Debt	0.8	1.4			
Payments to Settle Long-term Debt	<u>(4.3)</u>	<u>(6.7)</u>			
Cash Provided (Used) by Financing Activities	(3.5)	(5.3)			
Net Increase (Decrease) in Cash	0.0	1.2			
Cash at Beginning of Period	<u>21.8</u>	<u>21.8</u>	<u>23.0</u>		
Cash at End of Period	<u>\$21.8</u>	<u>\$23.0</u>			

Plaza's cash balance is forecasted to decline slightly from \$23.0 million at December 31, 2002, to \_\_\_\_\_ at December 31, 2005, due to increased payments on capital lease obligations during the forecast period together with an increase in cash capital expenditures in 2005. Including capital leases of \_\_\_\_\_ in 2003, in 2004 and \_\_\_\_\_ in 2005, Plaza's total capital expenditures are forecasted to be \_\_\_\_\_ in 2003 and \_\_\_\_\_ in each of 2004 and 2005. No significant capital expenditures are planned during the forecast period. At this time, management has no plans for the vacant Trump World's Fair site which had operated in years past as part of

Plaza.

### 3. Analysis

Plaza forecasts predict a downturn in its Net Revenue in 2003 and flat Net Revenue in 2004 due to the impact of the Borgata. Net Revenue is forecasted to begin to rebound in 2005. GOP and GOP Margin, however, improve in 2004 due to expense savings forecasted to be achieved from EZ Pay. Plaza is forecasting that its cash balance will decline slightly during the forecast period from \$23.0 million to . This balance is sufficient, however, to maintain casino bankroll balances comparable to the prior year. If Plaza does not meet its forecasts and if it should need additional cash, among its options would be to reduce the cash capital expenditure forecast sometime during the license period and/or utilize cash from Taj Mahal. In this regard, Taj Mahal is projected to have sufficient funds throughout the forecast period (See Section C below) thus providing Plaza with additional financial cushion and flexibility if Plaza's results for 2003 through 2005 are less than forecasted.

#### C. TRUMP TAJ MAHAL ASSOCIATES

##### 1. Actual and Forecasted Operations

Table 3 below presents the actual and forecasted Net Revenue, GOP and GOP Margin for Taj Mahal for the five years ending December 31, 2005.

Table 3  
Trump Taj Mahal Associates  
Net Revenue, GOP and GOP Margin  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Actual	Actual	Forecast	Forecast	Forecast
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net Revenue	\$500.9	\$515.9			
Costs and Expenses	<u>(362.7)</u>	<u>(364.2)</u>			
GOP	<u>\$138.2</u>	<u>\$151.7</u>			
GOP Margin	27.6%	29.4%			

Taj Mahal's Net Revenue and GOP improved from 2001 to 2002 due to growth in slot revenue and controls on promotional allowances and expenses. While management is predicting that the overall Atlantic City slot market win will grow by approximately with the opening of the Borgata, it is forecasting that Taj Mahal's slot win growth will actually fall during the second half of 2003 and the first half of 2004 due to the impact of the Borgata opening. Likewise, GOP is forecasted to drop in 2003 from \$151.7 million in 2002 to in 2003 due in part to an increase in marketing expenses including a increase in special events costs to compete with the Borgata opening. Taj Mahal's Net Revenue is expected to rebound in the second half of 2004 and in 2005 as is GOP. Taj Mahal is also implementing EZ Pay slots and 70% of the casino floor is expected to have EZ Pay slots by July 2003 which will result in cost savings.

For the first quarter of 2003, Taj Mahal had forecasted Net Revenue of \$121.8 million and a GOP of \$32.6 million. Actual results were below that with Net Revenue of \$118.5 million and GOP of \$28.8 million. As with Plaza, Taj Mahal's Net Revenue and

GOP were below 2002's first quarter performance with Net Revenue of \$124.9 million and GOP of \$35.2 million. Again, according to management, the Iraqi conflict and weather negatively impacted performance in the first quarter of 2003.

## 2. Actual and Forecasted Cash Flows

Table 4 below presents the actual and forecasted cash flows for Taj Mahal for the five years ending December 31, 2005.

Table 4  
Trump Taj Mahal Associates  
Cash Flow Summary  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Actual <u>2001</u>	Actual <u>2002</u>	Forecast <u>2003</u>	Forecast <u>2004</u>	Forecast <u>2005</u>
Net Cash from Operating Activities	\$15.8	\$39.9			
Cash Flow from Investing Activities					
Capital Expenditures	(5.8)	(15.0)			
Purchase of CRDA Obligations	<u>(6.6)</u>	<u>(6.7)</u>			
Net Cash Provided (Used) for Investing Activities	(12.4)	(21.7)			
Cash Flow from Financing Activities					
Payments to Settle Long-term Debt	(1.8)	(4.5)			
Partnership Distribution	<u>0.0</u>	<u>(3.0)</u>			
Cash Provided (Used) by Financing Activities	(1.8)	(7.5)			
Net Increase (Decrease) in Cash	1.6	10.7			
Cash at Beginning of Period	<u>40.5</u>	<u>42.1</u>	<u>52.8</u>		
Cash at End of Period	<u>\$42.1</u>	<u>\$52.8</u>			



Forecasts show that Net Cash from Operating Activities will need to be to meet all needs during the forecast period due to higher cash capital expenditures, increased payments on capital leases and partnership distributions of annually in 2003 through 2005 to fund THCR's expenses. As a result, Taj Mahal's cash balance is forecasted to significantly decline from \$52.8 million at the end of 2002 to by the end of 2005. Cash capital expenditures during the forecast period will be higher than those in 2001 and 2002. Including capital leases, total capital expenditures are forecasted to be in 2003, in 2004 and in 2005.

Two major components of capital spending in 2003 are the continuing renovations of the hotel tower rooms and the replacement of 1,500 slot machines. On-going renovations of rooms and other areas and slot replacements are forecasted for 2004 and 2005. No major capital projects are expected for the period 2003-2005.

### 3. Analysis

The forecasts for Taj Mahal indicate that the company should maintain its financial flexibility throughout the forecast period. Although available cash is forecasted to decrease by from December 2002 to December 2005 from \$52.8 million to , it should still be sufficient to maintain operations, meet expenses and maintain casino bankroll balances throughout the forecast period comparable to the prior year, thus

providing some flexibility for Taj Mahal. If the impact of Borgata is greater than forecasted and/ or if Taj Mahal should be called upon to supplement cash required by Plaza, it has the option of reducing its cash capital expenditures if it should need additional cash.

#### D. TACA

Taj Mahal and Plaza are the two operating subsidiaries of TACA. Currently, \$1.3 billion is outstanding in 11.25% TACA Notes which are due May 1, 2006 -- one year before expiration of a four-year renewal of the casino licenses of Taj Mahal and Plaza. Neither TACA nor TAC Funding, TAC Funding II or TAC Funding III have operations of their own, so their ability to make the debt service payments on the TACA Notes is contingent on the adequate generation of cash at Plaza and Taj Mahal. Annual interest on the TACA Notes is \$146.2 million. While the debt has been allocated internally to Plaza and Taj Mahal, each is 100% liable for total debt payments due. The TACA Notes have been allocated internally as follows: Taj Mahal -- in intercompany debt with in annual interest expense; and, Plaza -- in intercompany debt with annual interest expense of . Projections for TACA show that there will be adequate cash generated by Plaza and Taj Mahal to pay the interest on the TACA Notes through 2005 and TACA can use funds from Taj Mahal if they are needed to supplement any shortfall from Plaza (and vice versa). Management has stated that it intends to refinance the \$1.3 billion in TACA Notes prior to maturity on May 1, 2006.

TACA is permitted by the TACA Notes indenture to transfer up to \$10 million annually in cash from either Plaza or Taj Mahal (or a combination from both) through TACA to THCR to fund THCR administrative expenses. Management projects that it will transfer annually to THCR and these funds are forecasted to come solely from Taj Mahal during the forecast period.

E. TRUMP MARINA ASSOCIATES, L.P.

1. Actual and Forecasted Operations

Table 5 below presents Marina's actual and forecasted Net Revenue, GOP and GOP Margin for the five years ending December 31, 2005.

Table 5  
 Trump Marina Associates, L.P.  
 Net Revenue, GOP and GOP Margin  
 For the Five Years Ending December 31, 2005  
 (\$ in millions)

	Actual <u>2001</u>	Actual <u>2002</u>	Forecast <u>2003</u>	Forecast <u>2004</u>	Forecast <u>2005</u>
Net Revenue	\$252.9	\$270.2			
Costs and Expenses	<u>(197.4)</u>	<u>(202.3)</u>			
GOP	<u>\$55.5</u>	<u>\$67.9</u>			
GOP Margin	21.9%	25.1%			

Marina's Net Revenue in 2002 increased by 6.8% from \$252.9 million in 2001 to \$270.2 million in 2002, primarily reflecting improved slot revenue. GOP Margin improved from 21.9% to 25.1% as operating expenses rose by only 2.5%. Management is, as

previously observed, forecasting a            increase in slot win growth in the overall Atlantic City market for the second half of 2003 and the first half of 2004, but, thereafter, management expects that the market will normalize. Management is forecasting that Marina's Net Revenue will grow but by only            in 2003, from \$270.2 million to           , due to the impact of the Borgata. Net Revenue growth is forecasted to increase in the second half of 2004 and grow by            for the full year 2004; thereafter, the forecast shows Marina's Net Revenue growth slowing to            in 2005 as the market stabilizes. Management is forecasting an increase in entertainment and other expenses in 2003 resulting in a slight drop in GOP from \$67.9 million in 2002 to            in 2003. Thereafter, management is forecasting minimal increases in operating expenses aided by the implementation of EZ Pay slots. As a result, GOP is forecasted to improve from            in 2003 to            by 2005. GOP Margins likewise improve from            in 2003 to            by 2005.

For the first quarter ended March 31, 2003, Marina had forecasted Net Revenue of \$59.2 million and GOP of \$10.1 million. Actual results were close to that as Net Revenue was \$58.5 million at March 31, 2003, and GOP was \$9.2 million. However, as with Plaza and Taj Mahal, both results were below those for first quarter 2002 in that, at March 31, 2002, Marina's Net Revenue was \$63.2 million and GOP was \$15.6 million. Once again, management cited the snow storms during the winter and the war in Iraq as negatively impacting first quarter of 2003.

## 2. Actual and Forecasted Cash Flows

Table 6 below shows Marina's actual and forecasted cash flows for the five years ending December 31, 2005.

Table 6  
Trump Marina Associates, L.P.  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Actual	Actual	Forecast	Forecast	Forecast
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net Cash from Operating Activities	\$10.0	\$16.0			
Cash Flow from Investing Activities					
Capital Expenditures	(4.0)	(5.5)			
Purchase of CRDA Obligations	<u>(3.4)</u>	<u>(3.5)</u>			
Net Cash Provided (Used) for Investing	(7.4)	(9.0)			
Cash Flow from Financing Activities					
Proceeds from Long-term Debt	0.0	70.0			
Payments to Settle Debt	(1.8)	(71.8)			
Cost of Issuing Debt	<u>0.0</u>	<u>(1.5)</u>			
Cash Provided (Used) by Financing	(1.8)	(3.3)			
Net Increase (Decrease) in Cash	0.8	3.7			
Cash at Beginning of Period	<u>21.2</u>	<u>22.0</u>	<u>25.7</u>		
Cash at End of Period	<u>\$22.0</u>	<u>\$25.7</u>			

During 2002, Marina refinanced \$67 million of 10 1/4% Working Capital Notes due April 30, 2003, with a \$70 million Term Loan at a floating rate of Eurodollar + 5.5% due November 1, 2003. This Term Loan was then refinanced with the rest of Marina's debt (excluding capital leases) in March 2003 with the issuance of the TCH Notes. The impact

of both refinancings are shown under "Cash for Financing Activities" in Table 6 above and resulted in no additional cash to Marina.

Management is forecasting that Marina will generate sufficient cash from operations to meet its cash needs during the forecast period, including cash capital expenditures of \_\_\_\_\_ in 2003 and \_\_\_\_\_ in 2004 and 2005, respectively. Including capital leases, total capital expenditures are forecasted to be \_\_\_\_\_ annually from 2003 through 2005. While these amounts represent an increase over capital expenditures of prior years, there are no major expansions planned during the forecast period. A payment of \_\_\_\_\_ to TCH for a "mandatory redemption offer" of a total of \_\_\_\_\_ face amount of TCH Notes forecasted for 2005 is included in the "Payments to Settle Debt" entry in Table 6.<sup>4</sup> Cash during the forecast period is expected to increase from \$25.7 million at December 2002 to \_\_\_\_\_ by December 2005.

### 3. Analysis

Marina no longer faces a refinancing risk as the debt which was due in 2003 was refinanced to 2010. In addition, Marina's PIK Notes, which were due in 2005, were also redeemed with the refinancing in 2003. While Marina is forecasting that the opening of

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<sup>4</sup>The TCH Notes indenture requires TCH to make a debt redemption offer at 103% of face value if it has consolidated excess cash flow as defined by the indenture. The note holders can accept or decline the offer.

Borgata will impact its share of slot win market growth, it is not forecasting any annual downturn in Net Revenue. Rather, management is forecasting that Net Revenue will continue to grow throughout the forecast period from [redacted] in 2003 to

[redacted] in 2005. If these forecasts are achieved, Marina will be able to meet its operating needs, including cash capital expenditures, and significantly increase its cash from \$25.7 million at December 31, 2002, to [redacted] by December 31, 2005, providing Marina with a substantial cash cushion which will be more than sufficient to maintain casino bankroll balances at a level higher than the comparable period the prior year.

#### F. TRUMP INDIANA

##### 1. Actual and Forecasted Operation

Table 7 below shows Trump Indiana's actual and forecasted Net Revenue, GOP and GOP Margin for the five years ending December 31, 2005.

Table 7  
Trump Indiana  
Net Revenue, GOP and GOP Margin  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Actual <u>2001</u>	Actual <u>2002</u>	Forecast <u>2003</u>	Forecast <u>2004</u>	Forecast <u>2005</u>
Net Revenue	\$120.9	\$124.0			
Costs and Expenses	<u>(94.7)</u>	<u>(91.2)</u>			
GOP	<u>\$26.2</u>	<u>\$32.8</u>			
GOP Margin	21.7%	26.5%			

Net Revenue for Trump Indiana improved from \$120.9 million in 2001 to \$124.0 million in 2002 and GOP improved from \$26.2 million to \$32.8 million. A 2,000 space parking garage was opened in the second quarter of 2002 and, in August 2002, the State of Indiana allowed dockside operation of riverboat casinos. These events had a positive impact on Trump Indiana and are forecasted to translate into further improvements in Net Revenue and GOP.

## 2. Actual and Forecasted Cash Flows

Table 8 below shows Trump Indiana's actual and forecasted cash flows for the five years ending December 31, 2005.



Table 8  
Trump Indiana  
Cash Flow Summary  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Actual <u>2001</u>	Actual <u>2002</u>	Forecast <u>2003</u>	Forecast <u>2004</u>	Forecast <u>2005</u>
Cash from Operating Activities	\$9.8	\$11.0			
Cash Flow from Investing Activities					
Capital Expenditures, net	(3.0)	(9.9)			
Other Investments	<u>(0.1)</u>	<u>(0.4)</u>			
Cash Provided (Used) by Investing	(3.1)	(10.3)			
Cash Flow from Financing Activities					
Proceeds from Long-Term Debt	27.5	3.0			
Cost of Issuing Debt	(1.9)	(0.2)			
Payments to Settle Debt	(27.3)	(7.5)			
Dividends/Capital Withdrawals	<u>0.5</u>	<u>0.0</u>			
Cash Provided (Used) by Financing	(1.2)	(4.7)			
Net Increase (Decrease) in cash	5.5	(4.0)			
Cash at Beginning of Period	<u>6.4</u>	<u>11.9</u>	<u>7.9</u>		
Cash at End of Period	<u>\$11.9</u>	<u>\$7.9</u>			

“Cash from Operating Activities” in Table 8 above is net of management fees which Trump Indiana paid to THCR in 2001 and 2002 and, with the creation of TCH, management fees will now be paid to TCH. Trump Indiana paid \$4.7 million in management fees in 2001 and \$6.1 million in 2002. It is forecasted to pay to TCH in 2003, in 2004 and in 2005.

Trump Indiana has improved its operating performance over the past two years and management expects this improvement to continue. It is projected to build cash due to its improved operating performance from \$7.9 million in December 2002 to \_\_\_\_\_ by December 2005. The "Payments to Settle Debt" entry in Table 8 above reflects the mandatory repayment offer in 2005 of the TCH Notes allocated to Trump Indiana. The funds from operations, if forecasts are achieved, should provide Trump Indiana with financial flexibility through 2005.

It is important to note that management has represented, and upon which we rely, that the Division and Commission staff will receive a monthly balance sheet, income statement and statement of cash flow for Trump Indiana, TCH and Trump 29 Services (see below), which will enable the New Jersey regulators to monitor their performances.

G. THCR MANAGEMENT SERVICES, L.L.C. ("Trump 29 Services")

Trump 29 Services manages Trump 29 Casino, a Native-American facility in Coachella, California. Trump 29 Services manages and directs all day-to-day operations of Trump 29 Casino pursuant to a management agreement which was approved by the National Indian Gaming Commission on April 15, 2002, and which will expire on April 16, 2007. Trump 29 Services is paid an annual management fee equal to 30% of Net Revenue of Trump 29 Casino. The fee is payable monthly in amounts equal to the accrued management fee for the preceding month plus any accrued and unpaid amounts.

Trump 29 Services began earning management fees on April 16, 2002. These fees, net of expenses, were \$1.6 million for 2002 and are forecasted to be \_\_\_\_\_ for 2003, \_\_\_\_\_ for 2004, and \_\_\_\_\_ for 2005. These fees, together with the management fees from Trump Indiana and the payment of intercompany interest by Marina and Trump Indiana, constitute the sources of funds that will be utilized for the payment of interest and debt redemptions on the TCH Notes.

## H. TCH

### 1. Overview

TCH was formed in 2003 and is a holding company of Marina, Trump Indiana and Trump 29 Services. On March 25, 2003, it issued the TCH Notes consisting of \$425.0 million in 11 5/8% First Priority Mortgage Notes due 2010 and \$50 million of 17 5/8% Second Priority Mortgage Notes due 2010 with an additional \$15.0 million of 17 5/8% Second Priority Mortgage Notes subsequently purchased by DJT. Total proceeds from the offering were \$468.0 million which consisted of the following: the First Priority Mortgage Notes, which sold at a price of 94.832% of their face value, for \$403.0 million; \$50.0 million in Second Priority Mortgage Notes; and, an additional \$15.0 million in Second Priority Mortgage Notes purchased privately by DJT. Cash interest expense for the full year 2004 will be \$56.9 million. Table 9 below summarizes this 2003 refinancing.

Table 9  
MARCH 2003 TCH DEBT FINANCING  
(\$ in Millions)

	<u>SOURCES</u>	<u>USES</u>
11.625% 1st Mortgage Notes	\$403.0	<u>Marina</u> Refund 11.75% Mtge Notes \$242.1
11.625% 2nd Mortgage Notes plus 6% PIK component	50.0	Repay Bank Loan at Eurodollar+ 5.5% 70.0
11.625% 2nd Mortgage Notes plus 6% PIK component purchased by DJT	<u>15.0</u>	Redeem 13.875% PIK Bonds <u>14.3</u>
		Marina Subtotal 326.4
		Repay Indiana Bank Debt and Interest Rate Swap 21.2
		Repay Trump 29 Services Debt 0.2
		Redeem 15.5% THCR Sr. Notes 96.9
		Fees, Paid and Accrued <u>21.0</u>
<b>TOTAL</b>	<b>\$468.0</b>	<b>TOTAL \$465.7</b>

Management's forecasts show the TCH Notes debt being apportioned internally among TCH, Marina and Trump Indiana with Marina being apportioned of the TCH Notes and Trump Indiana being apportioned. Management has allocated the remainder of the TCH Notes to TCH. However, as previously noted, since TCH has no operations other than that of Marina, Trump Indiana and Trump 29 Services, these subsidiaries will be responsible for servicing that debt as well as the portion which has been allocated to them.

In 2002, Marina paid \$37.3 million in cash interest on its debt, excluding capital

leases. This included \$2.0 million of discretionary cash interest paid on that portion of the PIK Notes which were publicly held. With an allocation of \_\_\_\_\_ of the TCH Notes, Marina's annual cash interest expense exclusive of capital leases will now be \_\_\_\_\_ in 2004.

The Second Priority Mortgage Notes pay cash interest of 11.625% and an additional 6% in the issuance of PIK Notes. If there are no paydowns in principal during the life of these Notes, this would result in the face amount of debt due at maturity in 2010 to be higher than the \$490 million issued in 2003. However, as stated previously, the indenture governing the TCH Notes has a provision by which TCH must offer to redeem an amount of the First Priority Mortgage Notes at a premium if the company has excess cash as defined in the indenture. Management is forecasting that TCH on a consolidated basis will have excess cash in 2004 and 2005. Based thereon, TCH will be required to offer to redeem a total of \_\_\_\_\_ face value of the First Priority Mortgage Notes at a 3% premium. If accepted by the note holders, this will reduce cash interest expense for the TCH Notes in 2005 and consolidated cash interest expense will drop from \_\_\_\_\_ in 2004 to \_\_\_\_\_ in 2005. The forecasted note redemption of \_\_\_\_\_ will reduce the intercompany debt allocation at Marina from \_\_\_\_\_ to \_\_\_\_\_ and at Trump Indiana from \_\_\_\_\_ to \_\_\_\_\_ during the forecast period, thus reducing cash interest expense at those entities as well.<sup>5</sup>

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<sup>5</sup>Management is forecasting that it will issue a total of \_\_\_\_\_ in PIK Notes during the forecast period. Since the \_\_\_\_\_ in face amount of debt forecasted to be redeemed through 2005 exceeds the face amount of PIKs to be issued for that same

The TCH Notes indenture also limits the amount of cash capital expenditures which can be made in a given year to 67% of EBITDA plus adjustments for years 2005 and after. For 2003 and 2004, TCH is permitted to spend annually \$32.0 million in cash for capital expenditures although management is not forecasting that it will spend the full amount allowed. The amount spent on capital expenditures is reflected in the excess cash test to determine whether or not TCH must make a debt redemption offer such that if the maximum amount of cash capital expenditures allowed is spent, then the amount of the TCH Notes redemption offer would be decreased.

Not only, as noted previously, is each entity legally responsible for 100% of the TCH debt and debt service since the debt is jointly and severally guaranteed by Marina and Trump Indiana and secured by their assets, but also, as subsidiaries of TCH, they will be able to transfer funds between each other. Therefore, should Trump Indiana and/or TCH be unable to pay their apportioned debt service or need additional funds, Marina could be required or called upon to provide it. As a result, it is necessary to review the financial forecasts of not only Marina but also Trump Indiana and TCH on a consolidated basis.

## 2. TCH Consolidated Forecast

The consolidated forecast of TCH are comprised of the forecasts of each of its

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period, the total face amount of TCH debt outstanding will decrease during the forecast period if the note holders accept the redemption offer.

subsidiaries -- Marina, Trump Indiana and Trump 29 Services.

a. Actual and Forecasted Operations

Table 10 below shows TCH's actual and forecasted Net Revenue, GOP and GOP Margin for the five years ending December 31, 2005, on a consolidated basis, by entity.

Table 10  
TCH  
FORECASTED CONSOLIDATED OPERATING RESULTS  
For the years ending December 31  
(\$ in millions)

	Forecast	Forecast	Forecast
<u>NET REVENUE</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Marina			
Trump Indiana			
Trump 29 Services			
TCH Consolidated			
	Forecast	Forecast	Forecast
<u>GOP</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Marina			
Trump Indiana			
Trump 29 Services			
TCH Expenses			
TCH Consolidated			

With improved Net Revenue and GOP forecasts by management for both Marina and Trump Indiana and the inclusion of approximately in management fees

from Trump 29 Services, TCH's consolidated Net Revenue is expected to increase from  
in 2003 to in 2005. Likewise, consolidated GOP is forecasted  
to increase from in 2003 to in 2005.

b. Actual and Forecasted Cash Flows

Table 11 below shows TCH's actual and forecasted cash flows for the five years  
ending December 31, 2005, on a consolidated basis.



Table 11  
TCH  
Consolidated Cash Flow Summary  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Forecast <u>2003</u>	Forecast <u>2004</u>	Forecast <u>2005</u>
Cash from Operating Activities			
Cash Flow from Investing Activities:			
Capital Expenditures, net			
CRDA purchases			
Cash Provided (Used) by Investing			
Cash from Financing Activities:			
Proceeds from Long-term Debt			
Cost of Issuing Debt			
Payments to Settle Debt			
Cash Provided (Used) by Investing			
Net Increase (Decrease) in Cash			
Cash at Beginning of Period	<u>33.9</u>		
Cash at End of Period			

The forecast reflects that TCH, on a consolidated basis, will have sufficient cash to service debt of \$490.0 million at the cash interest rate of 11.625% (\$56.9 million in 2004). Marina and Trump Indiana will remit to TCH their interest allocations and this will be supplemented by management fees received from Trump Indiana and Trump 29 Services. In addition, Marina and Trump Indiana are forecasted to generate sufficient cash to fund their own capital expenditures and other needs and their portion of the mandatory debt

redemption offer in 2005. If Marina and Trump Indiana achieve their forecast results, consolidated cash from operating activities is expected to increase from \_\_\_\_\_ in 2003 to \_\_\_\_\_ in 2005. In addition, according to the terms of TCH Notes indenture, TCH is allowed to spend approximately \$32 million annually in cash capital expenditures in 2003 and 2004 although TCH is not forecasted to spend this limit. This, together with the strong cash flow forecasted, will result in a trigger of the mandatory redemption offer of a portion of the TCH Notes. As a result, TCH is forecasting that it will offer to redeem \_\_\_\_\_ of TCH Notes in 2005 with the source of funds for this offer being \_\_\_\_\_ from Trump Indiana and \_\_\_\_\_ from Marina and the remainder from cash at TCH.

#### I. TRUMP HOTELS AND CASINO RESORTS, INC.

As was observed from the outset, THCR does not generate revenue so that the ability to pay its expenses is dependent on the successful operations of its operating subsidiaries. THCR's administrative expenses are forecasted to be \_\_\_\_\_ annually with the source of these funds being Taj Mahal. Prior to the repayment of \$109.5 million in Senior Notes in March 2003, THCR also needed to fund interest expense but the repayment of the Senior Notes eliminated that need as well as a refinancing risk on the Senior Notes which were due in 2005.<sup>6</sup>

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<sup>6</sup>The indentures of the TCH Notes and TACA Notes severely limit the amount of funds which can be transferred to THCR thereby protecting the financial integrity of these entities and their subsidiaries.

The consolidated financial results and forecast presented below represent the combined results and forecasts for Taj Mahal, Plaza, Marina, Trump Indiana and Trump 29 Services.

1. Actual and Forecasted Operations

Table 12 below presents the actual and forecasted results from operations for THCR on a consolidated basis, by entity, for the five years ending December 31, 2005.

Table 12  
THCR  
Net Revenue and GOP  
For the Five Years Ending December 31, 2005  
(\$ in millions)

	Actual	Actual	Forecast	Forecast	Forecast
<u>NET REVENUE</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Marina	\$252.9	\$270.2			
Trump Indiana	120.9	124.0			
Trump 29 Services	0.0	2.7			
Plaza	301.6	316.2			
Taj Mahal	<u>500.9</u>	<u>515.9</u>			
THCR Consolidated	\$1,176.3	\$1,229.0			
	Actual	Actual	Forecast	Forecast	Forecast
<u>GOP</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Marina	\$55.5	\$67.9			
Trump Indiana	26.2	32.8			
Trump 29 Services	0.0	1.6			
Plaza	66.3	81.0			
Taj Mahal	138.2	151.7			
TACA Expenses	(0.1)	(1.7)			
TCH Expenses	0.0	0.0			
THCR Expenses	<u>(7.6)</u>	<u>(7.7)</u>			
THCR Consolidated	\$278.5	\$325.6			

Net Revenue on a consolidated basis is forecasted to increase between 2002 and 2005, a            increase. Likewise, consolidated GOP is forecasted to improve from \$325.6 million to            . The expenses shown in Table 12 above under "THCR Expenses" include payments which are forecasted to be made to DJT under the Amended and Restated Executive Agreement of            in 2003,            in

2004 and in 2005 in addition to other THCR operating expenses<sup>7</sup>.

## 2. Actual And Forecasted Cash Flows

Table 13 below shows the actual and forecasted consolidated cash flows for THCR for the five years ending December 31, 2005.

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<sup>7</sup> Prior to the issuance of the TCH Notes in March, 2003, DJT had received a base fee of \$1.5 million annually plus the reimbursement of expenses pursuant to an executive agreement dated as of June 12, 1995, with THCR and THCR Holdings (the "Executive Agreement"). In addition, DJT received fees under a Castle Services Agreement based upon the achievement by Marina (Castle) of certain operating results. In connection with the TCH Notes offering, the Castle Services Agreement was terminated and the Amended and Restated Executive Agreement with THCR and THCR Holdings was subsequently entered into. Under the terms of the Amended and Restated Executive Agreement, DJT will receive fees as follows: annual base compensation of \$1.5 million; additional compensation of \$1.5 million for each year that consolidated EBITDA of THCR is at least \$270.0 million; and, an incentive fee of 5% of the amount by which consolidated EBITDA of THCR exceeds \$270.0 million. By way of comparison, total fees received in 2002 by DJT under the prior Executive Agreement and Castle Services Agreement were approximately \$5.4 million.

Table 13  
 THCR Consolidated  
 Cash Flow Summary  
 For the Five Years Ending December 31, 2005  
 (\$ in millions)

	Actual	Actual	Forecast	Forecast	Forecast
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net Cash from Operating Activities	\$53.5	\$57.6			
Cash Flow from Investing Activities					
Capital Expenditures, net	(14.8)	(35.4)			
Purchase of CRDA Obligations	(14.0)	(14.4)			
CRDA Donation	0.2	3.3			
Other	<u>0.0</u>	<u>15.0</u>			
Cash Provided (Used) by Investing Activities	(28.6)	(31.5)			
Cash Flow from Financing Activities					
Net Short-Term Debt	(4.2)	2.7			
Proceeds from Long-term Debt	38.5	73.0			
Payments to Settle Long-Term Debt	(31.2)	(102.6)			
Cost of Issuing Debt	<u>(4.2)</u>	<u>(2.3)</u>			
Cash Provided (Used) by Investing Activities	(1.1)	(29.2)			
Net Increase (Decrease) in Cash	23.8	(3.1)			
Cash at Beginning of Period	<u>95.4</u>	<u>119.2</u>	<u>116.1</u>		
Cash at End of Period	<u>\$119.2</u>	<u>\$116.1</u>			

In 2003, THCR completed the refinancing of the debt at Marina, Trump Indiana, Trump Holdings and as well as Trump 29 Casino for which it incurred debt issuance costs of \$21.0 million as noted in Table 13 above. Cash after cash capital expenditures, CRDA obligations and capital lease payments is forecasted to be used to pay-down debt of

in face amount of TCH Notes at a 3% premium. The sources of the funds for the TCH Notes paydown is forecasted to be Trump Indiana, Marina and TCH. As a result of the high debt issuance costs in 2003, cash is forecasted to drop from \$116.1 million at December 2002 to \_\_\_\_\_ at December 2003. Cash is forecasted to improve to \_\_\_\_\_ in 2004 as the increase in cash from operations is expected to be more than sufficient to fund the company's needs. Management expects cash to drop slightly in 2005 to \_\_\_\_\_ as \_\_\_\_\_ in TCH debt may be repaid, cash capital expenditures at Plaza are increased and a total of \_\_\_\_\_ in capital lease payments are made by Taj Mahal and Plaza.

## J. OTHER THCR INTERESTS

### 1. RIVIERA

On July 1, 2002, DJT purchased 350,000 shares of common stock of Riviera Holdings Corporation of Las Vegas ("Riviera"). On July 10, 2002, DJT granted THCR Holdings, at no cost, an option to purchase these shares until December 31, 2003, at an exercise price equal to the greater of: a) DJT's cost of acquiring the shares (\$2.3 million plus fees and commission incurred); or, b) the fair market value of the shares.

On December 26, 2002, DJT purchased an additional 8,000 shares of Riviera's common stock for a total purchase price of \$37,970 and, on the same day, THCR Holdings was granted an option to purchase these shares on the same terms as the original option. According to SEC filings, DJT acquired these shares for investment purposes only. The

forecasts do not reflect any of the options being exercised by THCR.

## 2. MISS UNIVERSE L.P., LLLP

In January, 2002, THCR Holdings acquired, via a contribution from DJT, a 0.5% general partnership interest and a 24.5% limited partnership interest in Miss Universe L.P., a Limited Liability Limited Partnership. This interest was acquired in connection with the settlement of litigation. DJT and a non-affiliated third party own the remaining partnership interests. See Section III.,A.,1.,d.,*supra*.

## K. FINANCIAL STABILITY

When TCH issued a total face amount of \$490.0 million of notes in March 2003, at an approximate cost of \$20 million, it eliminated the need to refinance \$312.1 million in debt at Marina due November, 2003. In addition, Marina's publicly-held 13.875% PIK Notes, \$21.2 million in debt at Trump Indiana and \$0.2 million in debt at Trump 29 Services were redeemed at the same time as were the Senior Notes at THCR Holdings (See Table 9). Thus, not only did this remove the refinancing risk on the debt at Marina due in 2003 but also removed the need to redeem Senior Notes due 2005 and the need for THCR Holdings to have adequate sources to pay the interest on these notes.

Management has projected that Atlantic City's slot win will grow by overall in the first twelve months following Borgata's opening. They are further forecasting that



Borgata will impact each of the three Trump Atlantic City properties differently. Marina, due to its proximity to Borgata, is expecting Net Revenue to grow in 2003 although at a lower percentage than in 2002. Net Revenue is forecasted to increase in 2003, in 2004 and in 2005. Marina's management expects that, in order to compete with Borgata, expenses will increase more rapidly than revenues in 2003 thus causing GOP to fall from \$67.9 million in 2002 to in 2003. Thereafter, expenses will be increasing at a lower percentage than Net Revenue and, accordingly, both GOP and GOP Margin are expected to improve in 2004 and 2005. As a result, Marina's cash from operations is expected to increase during the forecast period allowing Marina to spend a total of in cash capital expenditures during the forecast period and to increase cash from \$25.7 million at the end of 2002 to at the end of 2005. Likewise, Trump Indiana is projected to build cash due to its improved operating performance from \$7.9 million in 2002 to by 2005. Management projects that, collectively, Marina, Trump Indiana and Trump 29 Services will generate sufficient funds to pay \$154.4 million in cash interest on the TCH Notes during the forecast period and to offer to repurchase in debt from TCH note holders. If this redemption offer is accepted by the note holders, the overall debt of Marina as forecasted would decline. Should this offer be rejected, cash would increase accordingly.

Since both Taj Mahal and Plaza are located on the Boardwalk, it is expected that Borgata will have a larger negative impact on their respective Net Revenues than Marina for the first twelve months following the opening. Net Revenue at both is forecasted to decline -- less than at Taj Mahal and by at Plaza in 2003. Thereafter, Taj Mahal

is forecasting Net Revenue growth of \_\_\_\_\_ in 2004 and \_\_\_\_\_ in 2005 whereas Plaza expects \_\_\_\_\_ Net Revenue through 2004 and then increasing by \_\_\_\_\_ in 2005. Both properties are implementing EZ Pay Slot systems which they are projecting to result in cost savings. As a result of the combination of lower Net Revenue and cost savings from EZ Pay, Plaza is forecasting that its expenses will decrease through the forecast period. As a result, Plaza expects that its GOP, after dropping from \$81.0 million in 2002 to \_\_\_\_\_ in 2003, will increase to \_\_\_\_\_ in 2004 and improve further to \_\_\_\_\_ in 2005. Taj Mahal's management projects GOP to drop from \$151.7 million in 2002 to \_\_\_\_\_ in 2003 as Taj Mahal is forecasting additional \_\_\_\_\_ expenditures in 2003 to compete with Borgata. However, Net Revenue is forecasted to increase faster than expenses in both 2004 and 2005 resulting in GOP improvement from \_\_\_\_\_ in 2004 to \_\_\_\_\_ in 2005.

Taj Mahal expects to use cash during the forecast period to fund \_\_\_\_\_ in cash capital expenditures, capital lease payments and an annual capital contribution of \_\_\_\_\_ to THCR which will result in cash declining at Taj Mahal from \$52.8 million at 2002 to \_\_\_\_\_ at 2005. While Plaza's cash is projected to decline by a mere \_\_\_\_\_ from 2002 through 2005, Plaza is expected to only spend \_\_\_\_\_ in the forecast period on cash capital expenditures. However, even though cash is expected to decline during the forecast period, both Taj Mahal and Plaza are forecasted to have sufficient funds for their capital expenditures and for the payment of \$146.2 million in annual interest on the TACA Notes. Furthermore, should Taj Mahal and Plaza not achieve their forecast results, TACA has the option to utilize cash on hand at Taj Mahal to

supplement any cash shortfall or the properties could reduce their cash capital expenditures at some time during the forecast period, thus providing for financial flexibility at Plaza, Taj Mahal and TACA.

TACA still faces the task of refinancing its \$1.3 billion of debt which comes due during a renewed license period on May 1, 2006. Unknown at this time is the impact of the opening of the Borgata on Atlantic City casinos and, in particular, on the Applicants. The Division has noted on several occasions the need for refinancing the TACA Notes prior to the expiration of the current four-year renewal period. Having engaged in several fruitful discussions with DJT and others at THCR's management over the past two months, the Division is satisfied that management has the will, talent as well as a plan to address successfully this area. Management has indicated that it intends to refinance the TACA debt before it comes due on May 1, 2006, if possible. The terms, conditions and costs of any refinancing are, of course, unknown at this point. It is noted that the interest rate on the current TACA Notes is 11.25% and assuming \$1.3 billion is to be refinanced, a one percentage point change in the rate would impact annual interest expense by \$13.0 million. The Division intends to monitor the TACA debt closely and notes that TACA's refinancing prospects can better be assessed at the mid-term review or upon the possibly earlier occasion of the review of a material debt transaction or refinancing. In addition, the impact of Borgata on the Atlantic City market and, in particular, on the Applicants, will also be better known at that time as well.

With regard to THCR, after the redemption of the Senior Notes in March 2003 in

connection with the TCH refinancing, it no longer has any debt service obligations. THCR only expects to need funds for administrative expenses which are forecasted to be

. Taj Mahal is forecasted to fund all of THCR's expenses.

Since each of the Applicants is forecasted to have sufficient cash from operations and current cash balances through the forecast period for expenses, including interest on debt and capital expenditures, the Division concludes that each of the Applicants and THCR appear to have the flexibility to continue to meet their anticipated obligations. Accordingly, the Division submits that Marina, Plaza and Taj Mahal have demonstrated the requisite financial stability, integrity and responsibility as provided in *N.J.S.A. 5:12-84a*. See also *N.J.A.C. 19:43-4.2(b) 1 through 5*. Based upon the information contained above, and subject to the recommended condition that the Commission and the Division receive financial forecasts from the Applicants and THCR for the remainder of a renewed license term by March 31, 2005, the Division has no objection from a financial perspective to the issuance of renewed casino licenses for four-year periods for Marina, Plaza and Taj Mahal.

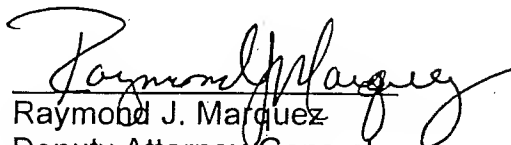
## V. CONCLUSION

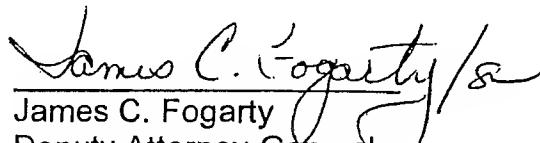
The foregoing serves to report on all aspects of suitability bearing on the applications of TTMA, TMA and TPA for renewed casino licenses. By the separate submission of DAG Ficchi, the Division has positively reported on the Applicants' continued suitability for CHAB license renewal. In view of the information contained in these submissions, the Division recommends the renewals of the respective licenses for four-year, coterminous terms (*i.e.* from June 26, 2003 to June 25, 2007), subject only to the reimposition of the conditions, agreed upon in substance, as outlined in Exhibit 5, attached.

Respectfully submitted,

Thomas N. Auriemma  
Director

By:

  
Raymond J. Marquez  
Deputy Attorney General

  
James C. Fogarty  
Deputy Attorney General

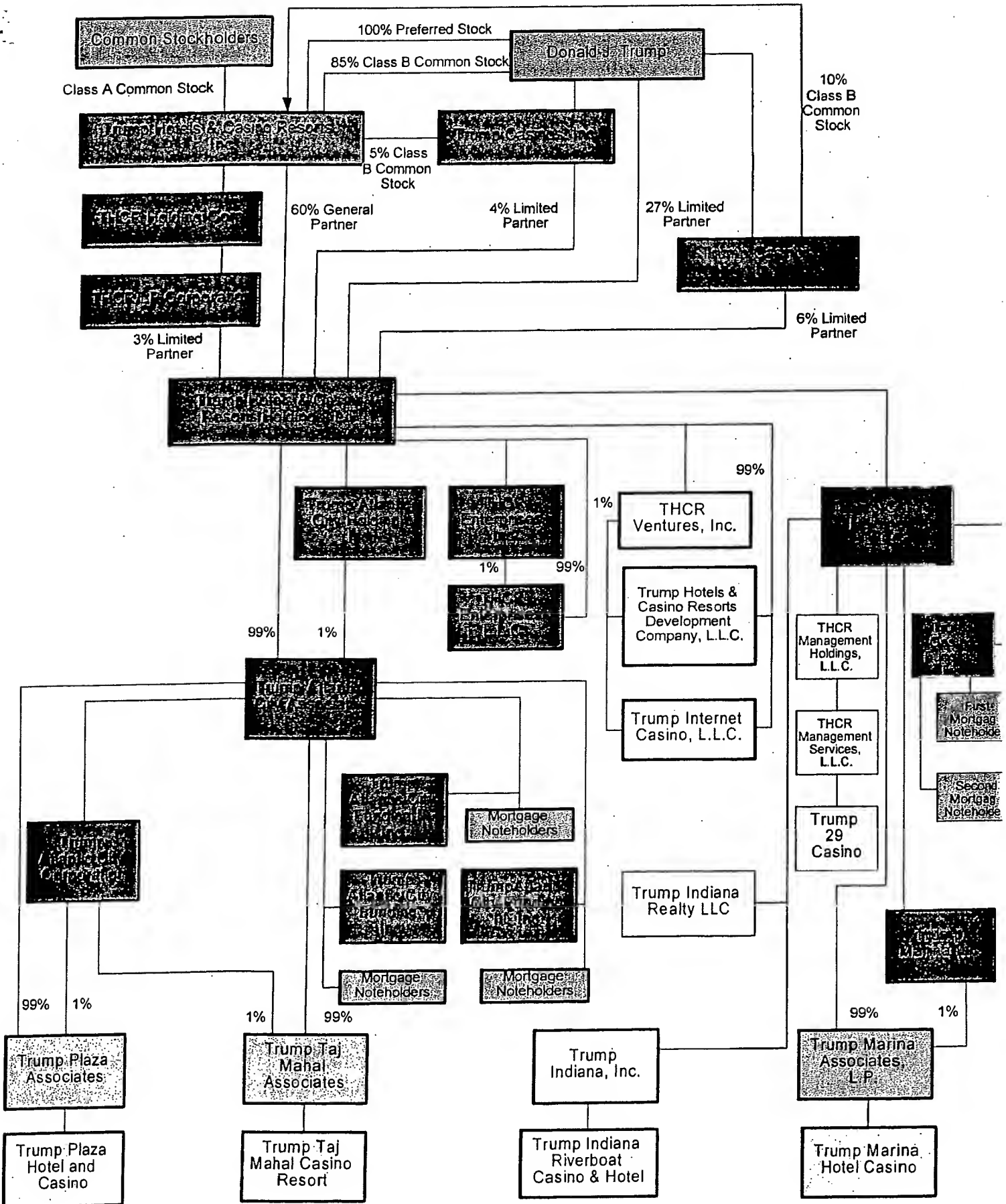
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c: Members of the Commission  
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Paul M. O'Gara, Esq.  
Christopher Glaum

**ORGANIZATIONAL STRUCTURE  
TRUMP HOTELS & CASINO RESORTS, INC.**

**EXHIBIT 7**

(NOTE: All unmarked lines represent 100% ownership interests.)



**Legend:**

- Note and shareholders
- Holding and intermediary companies
- Casino licensees
- Trade names of operating casinos
- Other affiliated companies

EXHIBIT 2

ENTITY QUALIFIERS

	TPA	TMA	TTMA
THCR Enterprises, Inc.	X	X	X
THCR Enterprises, L.L.C.	X	X	X
THCR Holding Corp.	X	X	X
THCR/LP Corporation	X	X	X
Trump Atlantic City Associates	X	X	X
Trump Atlantic City Corporation	X	X	X
Trump Atlantic City Funding, Inc.	X	X	X
Trump Atlantic City Funding II, Inc.	X	X	X
Trump Atlantic City Funding III, Inc.	X	X	X
Trump Atlantic City Holding, Inc.	X	X	X
Trump Casino Funding, Inc.		X	
Trump Casino Holdings, L.L.C.		X	
Trump Casinos, Inc.	X	X	X
Trump Casinos II, Inc.	X	X	X
Trump Hotels & Casino Resorts, Inc.	X	X	X
Trump Hotels & Casino Resorts Holding, L.P.	X	X	X
Trump Marina, Inc. formerly Trump's Castle Hotel and Casino, Inc.		X	

TPA = Trump Plaza Associates

TMA = Trump Marina Associates, L.P.

TTMA = Trump Taj Mahal Associates

## EXHIBIT 3

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NAME	ID	RS	POSITION(S)
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## TRUMP MARINA ASSOCIATES, L.P.

LEGEND: ENTITY QUALIFIERS

TCF	TRUMP CASINO FUNDING, INC.
TCH	TRUMP CASINO HOLDINGS, L.L.C.
TCI	TRUMP CASINOS, INC.
TCI2	TRUMP CASINOS II, INC.
THCREI	THCR ENTERPRISES, INC.
THCRELLP	THCR ENTERPRISES, L.L.C.
THCRH	TRUMP HOTELS & CASINO RESORTS HOLDING, L.P.
THCRHC	THCR HOLDING CORP.
THCRI	TRUMP HOTELS & CASINO RESORTS, INC.
THCRLP	THCR/LP CORPORATION
TMA	TRUMP MARINA ASSOCIATES, L.P.
TMI	TRUMP MARINA, INC.

NATURAL PERSON QUALIFIERS

NAME ID

RS

POSITION(S)

Agnellini, Pacifico S.

3446-03

NJ

TMA-VP, Legal Affairs &amp; Risk



NAME	ID	RS	POSITION(S)
	7033-11		Management and Assistant Secretary TMI-Assistant Secretary
Askins, Wallace B.	3319-03	PA	THCRI-Director & Member of Audit and Special Committees TCH - Director TCF - Director
Brown, Mark A.	3376-03 3162-11	NJ	TCH - Chief Operating Officer TCF - Chief Operating Officer, Director THCRLP-Vice President THCRHC-Vice President THCRI-COO

NAME	ID	RS	POSITION(S)
			TMA-President & CEO TMI-VP
Burke, John P.	3321-03 5312-11	NY	TCI-VP & Assistant Treasurer TCI2-Assistant Treasurer & VP TCH - Executive VP & Corporate Treasurer TCF - Executive VP & Corporate Treasurer, Director THCREI-VP & Treasurer THCRH- Executive VP & Corporate Treasurer THCRHC-Assistant Treasurer THCRI-Executive VP & Corporate Treasurer THCRLP-Assistant Treasurer TMA- VP & Treasurer TMI - Director, Executive VP & Corporate Treasurer
Calamari, Matthew F.	3596-03	NY	THCRI-VP, Financial Planning & Analysis
Cho, Hyun <sup>1</sup>			TMA-VP, Asian Marketing
Crescenzo, Louis M., Jr.	6506-11 3610-03	NJ	TMA-Senior VP, Slot operations
Ferretti, Robert	5368-11 3328-03	NJ	TMA-Sr. VP, National Marketing
Fusco, Joseph A.	3329-03 6614-11	NJ	THCRH- Executive VP, Government Affairs THCRI- Executive VP, Government Affairs TMA-Executive VP, Government Affairs

<sup>1</sup> Granted temporary qualification March 12, 2003

NAME	ID	RS	POSITION(S)
Gietka, Steven	6206-11 3606-03	NJ	TMA-VP, Entertainment
Keyser, Craig D.	3334-03 6064-11	NJ	TMA-Executive VP, Human Resources & Administration
McCarthy, Francis X., Jr.	3341-03 1015-11	NJ	THCRH- Executive VP, Corporate Finance & CFO THCRI-Executive VP, Corporate Finance & CFO TMA- CFO TMI- VP & CFO
McCarthy, James J.	1996-11 3648-03	NJ	TMA-VP, Casino Hotel Finance
McFadden, Daniel	3521-03 7167-11	NJ	TMA-VP, Finance
McGuire, Robert J.	3686-03	NY	TCH - Director THCRI-Director and Member of Audit & Special Committees
Moyer, Todd	7577-11 3681-03	NJ	TMA-VP, Marketing
Nelson, Nathan	3651-03	NY	THCRI-VP, Financial Planning & Analysis
Newland, Charles	7428-11 3639-03	NJ	TMA-VP, Food & Beverage
Pickus, Robert M.	3347-03	NJ	TCI-VP & Secretary TCI2-VP & Secretary THCREI-Director, VP & Secretary THCRH-Executive VP, General Counsel & Secretary THCRHC-VP & Secretary THCRLP-VP & Secretary

NAME	ID	RS	POSITION(S)
			THCRI-Executive VP, General Counsel & Secretary TMA-Executive VP, Corporate and Legal Affairs & Secretary TMI - Director, Executive VP & Secretary
Polisano, Joseph S.	3348-03 4284-11	NJ	THCRH-VP, Project Development THCRI-VP, Project Development THCRI- VP, Project Development
Powers, Linda	5992-11 3605-03	NJ	TMA-Senior VP, Consumer Marketing & Advertising
Reaves, Bennilee-Floyd	1847-11 3678-03	NJ	TMA-VP, Casino Credit
Ryan, Paul R.	3385-03 6043-11	NJ	TMA-COO TCF-VP & Assistant Secretary
Ryan, Peter M.	3351-03	FL	TCF - Director TCH - Director THCRI-Director & Member of Audit and Special Committees
Santoro, Richard M.	3362-03 5247-11	NJ	TMA-Senior VP, Corporate Security
Swanseen, Karl	3357-03 3720-11	NJ	TMA-VP, Information Technology
Thomas, Don M.	3358-03	NY	TCF - Director TCH - Director THCRI-Director & Member of Audit and Special Committees
Trump, Donald J.	3359-03	NY	TCF - President, Director, CEO & Chairman TCH - President, Director, CEO &

NAME	ID	RS	POSITION(S)
			Chairman
			TCI-Sole Director, Chairman of the Board, President & Treasurer
			TCI2-Sole Director, Chairman of the Board, President & Treasurer
			THCREI-Director & President
			THCRH- President & CEO
			THCRHC-Sole Director, Chairman of the Board, President & Treasurer
			THCRI-Director, Chairman of the Board, President & CEO
			THCRLP-Sole Director, Chairman of the Board, President & Treasurer
			TMI - Director, Chairman of the Board, President & CEO
Wallen, Sherry <sup>2</sup>	7881-11	NJ	TMA- VP, Slot Marketing
Weisselberg, Allen H.	3595-03	NY	THCRI-VP Financial Planning & Analysis

<sup>2</sup> Temporary casino key employee license expires 10/15/03

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NAME	ID	RS	POSITION(S)
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**TRUMP PLAZA HOTEL AND CASINO**  
**LEGEND: ENTITY QUALIFIERS**

TACA			TRUMP ATLANTIC CITY ASSOCIATES
TACC			TRUMP ATLANTIC CITY CORPORATION
TACFI			TRUMP ATLANTIC CITY FUNDING, INC.
TACFI2			TRUMP ATLANTIC CITY FUNDING II, INC.
TACFI3			TRUMP ATLANTIC CITY FUNDING III, INC.
TACHI			TRUMP ATLANTIC CITY HOLDING, INC.
TCI			TRUMP CASINOS, INC.
TCI2			TRUMP CASINOS II, INC.
THCREI			THCR ENTERPRISES, INC.
THCRELLC			THCR ENTERPRISES, L.L.C.
THCRH			TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
THCRHC			THCR HOLDING CORP.
THCRI			TRUMP HOTELS & CASINO RESORTS, INC.
THCRLP			THCR/LP CORPORATION
TPA			TRUMP PLAZA ASSOCIATES

NATURAL PERSON QUALIFIERS:

NAMEID	RS	<u>NATURAL PERSON QUALIFIERS</u> POSITION(S)
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NAME	ID	RS	POSITION(S)
Agnellini, Pacifico S.	3446-03 7033-11	NJ	TPA-VP, Risk Management
Askins, Wallace B.	3319-03	PA	TACFI-Director TACFI2-Director TACFI3-Director TACHI-Director THCRI-Director, Member of Audit and Special Committees
Brown, Mark A.	3376-03 3162-11	NJ	TPA-President, CEO TACA-COO TACC-VP TACHI-VP THCRH-COO

**APPENDIX B**

THCRHC-VP  
THCRI-COO  
THCRLP-VP

Burke, John P.	3321-03 5312-11	NY	TPA-Executive VP & Treasurer TACA-Executive VP & Corporate Treasurer TACC-Treasurer TACFI- Treasurer TACFI2- Treasurer TACFI3-Treasurer TACHI-VP & Treasurer  TCI2-VP & Assistant Treasurer THCREI-VP & Treasurer THCRHC-Assistant Treasurer THCRH-Executive VP & Corporate Treasurer THCRI-Executive VP & Corporate Treasurer THCRLP-Assistant Treasurer
TCI-VP & Assistant Treasurer			

NAME	ID	RS	POSITION(S)
Calabro, Stephen R.	3322-03 2993-11	NJ	TPA-Sr. VP, Marketing
Calamari, Matthew F.	3596-03	NY	THCRI-VP, Financial Planning & Analysis
Colella, Daniel B.	3637-03 5888-11	NJ	TPA-VP, Casino Marketing
Crescenzo, Louis M., Jr. 3610-03	6506-11	NJ	TPA-Sr. VP, Slot Operations
Cunningham, Frederick T.	6015-11 3546-03	NJ	TPA-VP, Legal Affairs & Assistant Secretary TACC—Assistant Secretary TACHI-Assistant Secretary
Dimuzio, Barbara	7495-11 3720-03	NJ	TPA-VP, Hotel Operations
Fitzpatrick, Francis	4881-11 3669-03	NJ	TPA-VP, Security
Freedman, Frank	7632-11 3718-03	NJ	TPA-VP, Food & Beverage
Fusco, Joseph A. 6614-11	3329-03	NJ	TPA-Executive VP, Government Affairs THCRI-Executive VP, Government Affairs THCRH-Executive VP, Government Affairs TACA-Executive VP, Government Affairs
Gietka, Steven	6206-11 3606-03	NJ	TPA-VP, Entertainment
Glebocki, Theresa C.	3332-03 4954-11	NJ	TPA-VP, Finance & Assistant Treasurer TACC-Assistant Treasurer
Harkness, Matthew A.	4098-11 3608-03	NJ	TPA-COO TACC-VP



NAME	ID	RS	POSITION (S)
			TACHI-VP
Ianoale, Samuel A., Jr.	5767-11 3615-03	NJ	TPA-VP, Player Development Administration
Keyser, Craig D.	3334-03 6064-11	NJ	TPA-Exec. VP, Human Resources & Administration
Kim, Joong Y.	6037-11 3629-03	NJ	TPA-VP, Korean Marketing
Lien, Mann	6033-11 3381-03	NJ	TPA-VP, Asian Marketing
Lyons, Jason	7519-11 3663-03	NJ	TPA-VP, Player Development

NAME	ID	RS	POSITION(S)
McCarthy, Francis X., Jr. VP, Corporate	3341-03 1015-11	NJ	TACA-Executive Finance TACC-VP & CFO TACFI-Executive VP, Corporate Finance & CFO TACFI2-Executive VP, Corporate Finance & CFO TACFI3-Executive VP, Corporate Finance & CFO TACHI-VP & CFO THCRFI- Executive VP, Corporate Finance & CFO THCRH-Executive VP, Corporate Finance & CFO THCRI-Executive VP, Corporate Finance & CFO TPA- Executive VP & CFO
McGuire, Robert J.	3686-03	NY	THCRI-Director, Member of Audit & Special Committee
Nelson, Nathan	3651-03	NY	THCRI-VP, Financial Planning & Analysis
Palmer, Franklin Ford IV.	4086-11 3654-03	NJ	TPA-VP, Casino Finance Operations
Pickus, Robert M.	3347-03 3193-11	NJ	TACA-Executive VP, General Counsel & Secretary TACC- VP & Secretary TPA-Executive VP, Corporate & Legal Affairs & Secretary TACFI-Director & Secretary TACFI2-Director & Secretary TACFI3-Director & Secretary TACHI-VP & Secretary TCI-VP & Secretary TCI2-VP & Secretary THCRLP- VP & Secretary THCREI-VP, Secretary & Director THCRH-Executive VP, General Counsel & Secretary THCRHC-VP & Secretary

NAME	ID	RS	POSITION(S)
			THCRI-Executive VP, General Counsel & Secretary
Polisano, Joseph S.	4284-11 3348-03	NJ	TACA-VP, Project Development THCRH-VP, Project Development THCRI-VP, Project Development
Powers, Linda	5992-11 3605-03	NJ	TPA-Senior VP, Consumer Marketing & Advertising
Reaves, Bennilee-Floyd	1847-11 3678-03	NJ	TPA-VP, Casino Credit
Ryan, Peter M.	3351-03	FL	THCRI- Director & Member of Audit and Special Committees
Santoro, Richard M.	5247-11 3362-03	NJ	TPA-Senior VP, Corporate Security
Schneider, Christopher John	3644-11 3719-03	NJ	TPA-VP & Casino Manager
Swanseen, Karl	3357-03 3720-11	NJ	TPA-VP, Information Technology
Thomas, Don M.	3358-03	NY	TACFI-Director TACFI2-Director TACFI3-Director TACHI-Director THCRI-Director, Member of Audit and Special Committees

NAME	ID	RS	POSITION(S)
Trump, Donald J.	3359-03	NY	TACA-President & CEO TACC-Sole Director & President TACFI-Chairman of the Board, Director, President & CEO TACFI2-Chairman of the Board, Director, President & CEO TACFI3- Chairman of the Board, Director, President & CEO TACHI-Director, Chairman of Board & President TCI2-Sole Director & President, Treasurer & Chairman of Board TCI-Sole Director, Chairman of the Board, President & Treasurer THCRLP-Sole Director, Chairman of the Board, President & Treasurer THCREI-Director & President THCRH-President & CEO THCRHC-Sole Director, Chairman of the Board, President & Treasurer THCRI-Director, Chairman of the Board & Share Holder, President & CEO
Weisselberg, Allen H.	3595-03	NY	THCRI-VP, Financial Planning & Analysis

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NAME	ID	RS	POSITION(S)
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**TRUMP TAJ MAHAL ASSOCIATES**

**LEGEND:ENTITY QUALIFIERS**

TACA	TRUMP ATLANTIC CITY ASSOCIATES
TACC	TRUMP ATLANTIC CITY CORPORATION
TACFI	TRUMP ATLANTIC CITY FUNDING, INC.
TACFI2	TRUMP ATLANTIC CITY FUNDING II, INC.
TACFI3	TRUMP ATLANTIC CITY FUNDING III, INC.
TACHI	TRUMP ATLANTIC CITY HOLDING, INC.
TCI	TRUMP CASINOS, INC.
TCI2	TRUMP CASINOS II, INC.
THCREI	THCR ENTERPRISES, INC.
THCRELLC	THCR ENTERPRISES, L.L.C.
THCRH	TRUMP HOTELS & CASINO RESORTS HOLDINGS, L.P.
THCRHC	THCR HOLDING CORP.
THCRI	TRUMP HOTELS & CASINO RESORTS, INC.
THCRLP	THCR/LP CORPORATION
TTMA	TRUMP TAJ MAHAL ASSOCIATES

NAME	ID	RS	POSITION(S)
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NAMEID	NATURAL PERSON QUALIFIERS		POSITION(S)
	RS		

Agnellini, Pacifico S.	3446-03 7033-11	NJ	TTMA-VP, Risk Management
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Alcorn, Ronald	3318-03 1623-11	NJ	TTMA-VP, Casino Finance Operations
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Askins, Wallace B.	3319-03	PA	TACHI-Director TACFI-Director TACFI2-Director TACFI3-Director THCRI-Director, Member of Audit and Special Committees
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Brown, Mark A.	3376-03 3162-11	NJ	TTMA-President, CEO TACA-COO
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#### APPENDIX B

TACC-VP  
TACHI-VP  
THCRH-COO  
THCRHC-VP  
THCRI-COO  
THCRLP-VP

Burke, John P.	5312-11 3321-03	NY	TTMA-Corporate Treasurer TACA-Executive VP & Corporate Treasurer TACC-Treasurer TACFI- Treasurer TACFI2- Treasurer TACFI3-Treasurer TACHI-VP & Treasurer
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TCI-VP & Assistant Treasurer

NAME	ID	RS	POSITION(S)
			TCI2-VP & Assistant Treasurer THCREI-VP & Treasurer THCRHC-Assistant Treasurer THCRH-Executive VP & Corporate Treasurer THCRI-Executive VP & Corporate Treasurer THCRLP-Assistant Treasurer
Burke, Timothy	3862-11 3628-03	NJ	TTMA-VP, Slot Operations
Calamari, Matthew F.	3596-03	NY	THCRI-VP, Financial Planning & Analysis
Chesterton, Jay G.	6562-11 3011-03	NJ	TTMA-VP, Food & Beverage
Crescenzo, Louis M., Jr.	6506-11 3610-03	NJ	TTMA-Senior VP, Slot Operations
Davila, Teresa	7467-11 3767-03	NJ	TTMA-VP, Hotel Operations
Fiore, Thomas	3365-03 5645-11	NJ	TTMA-Senior VP, National Marketing
Fusco, Joseph A.	3329-03 6614-11	NJ	TTMA- Executive VP, Government Affairs THCRI- Executive VP, Government Affairs THCRH- Executive VP, Government Affairs TACA- Executive VP, Government Affairs

NAME	ID	RS	POSITION(S)
Gietka, Steven	6206-11 3606-03	NJ	TTMA-VP, Entertainment
Keyser, Craig D. 6064-11	3334-03	NJ	TTMA-Executive VP, Human Resources & Administration
Klima, George 4756-11	3448-03	NJ	TTMA-VP, Purchasing
Lapetina, Margaret	3336-03 6279-11	NJ	TTMA-VP, Player Development
Lien, Trung P.	3382-03 6194-11		TTMA-VP, Far East Marketing
Macrina, Francesco	7426-11 3644-03	NJ	TTMA-VP, Customer Development
Martin, Donna	5886-11 3572-03	NJ	TTMA-VP, Slot player Development
Mascio, Vincent	3340-03 2864-11	NJ	TTMA-VP & Casino Manager
Masciocchi, Lawrence	7396-11 3620-03	NJ	TTMA-VP, Slot Player Development
McCarthy, Francis X.	3341-03 1015-11	NJ	TTMA-Executive VP, Finance TACA-Executive VP, Corporate Finance TACC-VP & CFO TACFI-Executive VP, Corporate Finance & CFO TACFI2-Executive VP, Corporate Finance & CFO TACFI3-Executive VP, Corporate Finance & CFO TACHI-VP & CFO



NAME	ID	RS	POSITION (S)
			THCRFI- Executive VP, Corporate Finance & CFO
			THCRH-Executive VP, Corporate Finance & CFO
			THCRI-Executive VP, Corporate Finance & CFO
McGuire, Robert J.	3686-03	NY	THCRI-Director & Member, Audit and Special Committees
McSweeney, Kathleen M.	5642-11 3609-03	NJ	TTMA-Senior VP, Casino Hotel Marketing
Nelson, Nathan	3651-03	NY	THCRI-VP, Financial Planning & Analysis
Oskiera, Stephen S.	3449-03 4074-11	NJ	TTMA-Senior VP, Finance TACC-Assistant Treasurer
Pickus, Loretta I.	3360-03 5102-11	NJ	TTMA-VP, Legal Affairs & Assistant Secretary TACC-Assistant Secretary TACHI-Assistant Secretary
Pickus, Robert	3347-03	NJ	TACA-Executive VP, General Counsel & Secretary TACC- VP & Secretary TACFI-Director & Secretary TACFI2-Director & Secretary TACFI3-Director & Secretary TACHI-VP & Secretary TCI-VP & Secretary TCI2-VP & Secretary

NAME	ID	RS	POSITION(S)
			THCRLP- VP & Secretary THCREI-VP, Secretary & Director THCRH-Executive VP, General Counsel & Secretary THCRHC-VP & Secretary THCRI-Executive VP, General Counsel & Secretary TTMA-Executive VP, Corporate & Legal Affairs & Secretary
Polisano, Joseph S.	3348-03 4284-11	NJ	TTMA-VP, Project Development TACA-VP, Project Development THCRH- VP, Project Development THCRI- VP, Project Development
Powers, Linda	5992-11 3605-03	NJ	TTMA-Senior VP, Consumer Marketing & Advertising
Reaves, Bennilee-Floyd	1847-11 1-3	NJ	TTMA-VP, Casino Credit
Rifici, Antonella	7700-11 3744-03	NJ	TTMA-VP, Slot Player Development
Ryan, Peter M.	3351-03	FL	THCRI- Director, Member of Audit and Special Committees THCRFI-Director
Santoro, Richard M. 5247-11	3362-03	NJ	TTMA-Senior VP, Corporate Security
Sima, Barbara	6193-11 3616-03	NJ	TTMA VP, Slot Player Development
Swanseen, Karl	3357-03 3720-11	NJ	TTMA-VP, Information Technology
Thomas, Don M.	3358-03	NY	TACHI-Director TACFI-Director TACFI2-Director

NAME	ID	RS	POSITION(S)
			TACFI3-Director THCRI-Director & Member of Audit and Special Committees
Trump, Donald J.	3359-03	NY	TACA-President and CEO TACC-Sole Director, President & Chairman TACFI-Chairman of the Board, Director, President & CEO TACFI2- Director and Chairman of the Board, President & CEO TACFI3- Director and Chairman of Board, President & CEO TACHI-Director, Chairman of the Board, President TCI2-Sole Director, President, Treasurer & Chairman of the Board TCI-Sole Director, Chairman of the Board, President & Treasurer THCRLP-Sole Director, Chairman of the Board, President & Treasurer THCREI-Director  THCRH-President & CEO THCRHC-Sole Director, Chairman of the Board, President & Treasurer THCRI-Director, Chairman of the Board, President & CEO
& President			
Walker, Catherine A.		NJ	TTMA-COO
Weisselberg, Allen H.	3595-03	NY	THCRI-VP, Financial Planning & Analysis
Wright, James L. III	3361-03 3507-11	NJ	TTMA-VP, Finance

**EXHIBIT 4**

**FINANCIAL SOURCES**

<b>Previously Approved:</b>	<b>TTMA</b>	<b>TMA</b>	<b>TPA</b>	<b>Prior Approval Resolution #</b>
Trump Atlantic City Associates	X		X	99-13-24A & D
Trump Atlantic City Funding, Inc.	X		X	99-13-24A & D
Trump Atlantic City Funding II, Inc.	X		X	99-13-24A & D
Trump Atlantic City Funding III, Inc.	X		X	99-13-24A & D
Trump Casino Funding, Inc.		X		03-22
Trump Casino Holdings, L.L.C.		X		03-22
A.I. Credit Corp.	X	X	X	99-13-24A, B & D
Cananwill	X	X	X	96-100B; 95-173C
Felco Commercial Service	X			99-13-24A
U.S. Bank, N.A.	X	X	X	99-13-24A, B & D
Xerox Corp.	X	X		99-13-24A, B
<b>Not Previously Approved:</b>				
Avaya		X		
Central Leasing of NJ, L.L.C.	X	X	X	
First Insurance Funding Corp.	X	X	X	
Ford Motor Credit Corp.		X		
Premium Assignment Corp.	X		X	

TTMA = Trump Taj Mahal Associates  
 TMA = Trump Marina Associates, L.P.  
 TPA = Trump Plaza Associates

Pitney Bowes Credit Corp. (5619-70) was submitted for qualification as a financial source, but has been deleted from the list as the company is licensed as a non-gaming casino service industry; similarly, Deutsche Bank Trust Company was submitted for qualification as a financial source, but was found exempt from qualification under Act Section 84b, as a bank lender of \$70 million to TMA (See Commission Resolution No. 02-13-11) and would no longer require such qualification as that loan was repaid with proceeds from the TCH Note Offering.

## EXHIBIT 5

### Proposed Renewal Licensing Conditions

#### 1. Imputed Holding Company Status

- a. As to the casino renewal licenses of TPA and TTMA, each should carry the following condition with regard to imputed holding company status:

TAC Funding, TAC Funding II and TAC Funding III, although not holding companies, shall comply with N.J.A.C. 19:43-1.1, 2.3, 2.5, 2.7, 2.8, 2.9, 8.1 and 19:45-1.4 and 1.7, as if those entities were each a holding company.

- b. As to the casino renewal license of TMA, an additional entity, TCF should be included in the foregoing listing of the above-quoted condition.

#### 2. Due Diligence

Each of the renewed casino licenses should continue to have a conformed condition requiring the use of due diligence procedures as follows:

"(Licensee) and its holding companies shall conform to the due diligence procedures as approved by the Commission, which procedures (Licensee) is permitted to modify to exclude DJT and the Trump Organization from the coverage thereof, provided, however, that any such modifications shall be effective only after their review by the Division and approval by the Commission."

#### 3. DJT Notice Condition

Each of the renewed casino licenses should continue to have the following notice condition:

"DJT shall submit to the Commission and the Division immediate notice of any default or the occurrence of any event of default under any loan agreement by DJT or his affiliates, other than casino licensees, their qualifying entities and their affiliates, for which DJT has pledged or in the future pledges or otherwise grants or has granted a security interest in any direct or indirect interest he holds in a casino licensee."

4. Each of the renewed casino licenses should continue to carry a mid-term financial forecast requirement as follows:

"(Licensee) and THCR shall provide to the Commission and Division, by March 31, 2005, financial forecasts for the remainder of the license term."